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CHAPTER IX PROPERTY AND EXCISE TAXES

SECTION A - GENERAL DISCUSSION

This Chapter is devoted to "property and excise taxes," including the assessment of property, collection and distribution of taxes, and the records related thereto.

Definitions - Taxing District and Taxing Unit

In 1975, the General Assembly enacted a complete codification and restatement of the property and excise tax laws in Public Law 47, which became effective March 18, 1975. In that law there are two definitions which changed the terminology generally applicable to the records of the county auditor and the county treasurer and must be considered in connection with the subject matters in this Chapter. The terms are:

1. "Taxing District" means a geographic area within which property is taxed by the same taxing units and at the same total rate.
2. "Taxing Unit" means an entity which has the power to impose ad valorem property taxes.

Prior to the enactment of Public Law 47, the tax laws did not define these two terms. The term "taxing unit" was usually used in defining an area taxed at the same total rate, rather than the term "taxing district," with the terms "municipal corporation," "political subdivision," "county, city, town or township," or "special taxing district" being used to identify each governmental unit within the county. It should be further noted that many of the forms and records currently in use refer to "Taxing Unit," as a geographic area taxed at the same total rate rather than the term "Taxing District."

In view of the foregoing, you will find both of these terms used in this Chapter, depending upon whether the law is cited or a particular form or record is discussed. However, where either of the terms is used they shall be considered to be synonymous, since governmental units are clearly distinguished by the use of other terms.

Duties and Responsibilities of County Auditor

The duties and responsibilities of the county auditor, with respect to the assessment of property, the allowance of deductions and exemptions, the levy and collection of taxes, and finally the settlement and distribution of taxes collected, places the auditor's office in the position of being the most important office in administering the tax laws on the local level. Among these duties and responsibilities are the following:

1. Maintain real estate ownership records (transfer books) and plat books of all real property in the county.
2. Provide all forms and records required to be furnished assessing officials in the performance of their duties.
3. Maintain records to properly control and account for all real estate and personal property assessments and, most important, to see that such assessments, when filed by assessing officials, are not reduced or otherwise changed unless applicable statutory procedures are observed.

4. Serve as a member and secretary of the county property tax assessment board and, in that capacity, to act upon all appeals coming before the board, to review assessments for under-valued or omitted property, and to act upon applications for mortgage deductions and tax exemptions coming before the board.
5. To receive and act upon all applications for age 65, blind, veterans', and other deductions, to determine the eligibility of each applicant and the amount to be allowed.
6. Prepare the tax duplicate and enter all taxes therein for collection by the county treasurer; also, enter all penalties and account for all taxes and penalties returned unpaid.
7. Audit the tax duplicate after each semiannual tax payment date, make settlement with the county treasurer, and distribute all taxes to the respective governmental units for which collected.

These duties and responsibilities are more fully covered in the sections that follow but it cannot be overemphasized that the office plays a most important part in accounting for assessments and taxes collected and in seeing that the tax laws are properly administered.

SECTION B - ASSESSMENT OF PROPERTY

The first step in the levy and collection of property taxes is the assessment of real estate and personal property. The State Board of Tax Commissioners is empowered by law to establish the standards, as well as the forms and records related to assessments, and has published a "Personal Property Assessment Manual" and an "Indiana Real Property Assessment Manual." Therefore, instructions concerning the assessment of property by assessors are not included herein; however, forms and records related to the assessment of property will be found on pages 4-5 and 4-6 and the duties of the county auditor with the respect to accounting for assessments are discussed in this section.

Transfer Books

The county auditor shall keep a transfer book, arranged by townships, cities, and towns (taxing districts). In the transfer book the auditor shall enter a description, for the purpose of taxation, of land that is conveyed by deed or partition, the date of the conveyance, the names of the parties, and the post office address of the grantee. In addition, the auditor shall endorse on the deed or instrument of conveyance the words "duly entered for taxation subject to final acceptance for transfer," "not taxable," "has already been listed for taxation," "or duly entered for taxation." [IC 6-1.1-5-4]

County Form No. 55, Transfer Book, prescribed by the State Board of Accounts, commonly referred to as a real estate ownership record, is designed to contain a list of all real estate located in each taxing district, showing for each parcel: (1) name or names of owner; (2) description of lands and lots, including names of addition, lot and block number, or section, township and range and number of acres; (3) value of land or lot; (4) value of improvements; and (5) value of additional improvements and the year improvements were added. Some counties also include in this book the current addresses of owners for use in preparing the tax duplicate; however, most counties maintain separate records for this purpose or, in the case of counties using mechanized or computer equipment, the addresses are maintained through the use of special equipment.

The book also contains spaces for recording changes in ownership, showing: (1) from whom transferred; (2) to whom transferred, including the address of the grantee; (3) the type and date of instrument from which the transfer was made; and (4) the date of the transfer.

Transfer books may be either loose-leaf or a bound record. There are no statutory requirements as to how often the transfer books should be recopied; however, it is recommended that new transfer books be prepared after each periodical reassessment of real property is completed.

The transfer books are used in preparing the real estate assessors' books discussed in this section.

In those counties which have installed a mechanized tax accounting system, under which real estate is identified by a parcel number, usually referred to as a "key number," this board has approved an alternate form of transfer book, or ownership record, for use of such counties in lieu of the prescribed form. However, its use is limited to those counties for which specifically approved.

Control of Assessments - Because many persons who are not employees of the county auditor frequently use the transfer books, such as abstractors, attorneys and other persons seeking information, many county auditors maintain a "control" account over the assessed valuation of real estate for each taxing district to insure that no unauthorized changes are made in the assessments, and this practice is encouraged by the State Board of Accounts.

Such a control can be maintained by use of a simple three-column ledger or journal, with a separate sheet for each taxing district, to show in the first column any "additions," in the second column any "reductions" and in the third column the "net total assessments." To open the control account for each district, the total assessments (before deductions and exemptions) upon which the tax duplicate is prepared would be entered in the column headed "net total assessments." After each succeeding assessment period, the total value of additional assessments would be entered in the column headed "additions" and any reductions in assessment (upon petition for reassessment) would be entered in the column headed "reductions." Usually, these figures can be determined from the real estate assessors' books returned by the assessors after action thereon by the county property tax assessment board. After the assessments are fixed, should assessments be made for omitted property or reductions be made for errors in assessments, any changes made in the transfer book would be entered in this record, making reference to the particular real estate affected.

Not only does such a record control unauthorized changes being made in the assessments entered in the transfer books, but it also materially assists in preparing the tax duplicate for the succeeding year by having a predetermined total for each taxing district, to insure that no property has been omitted.

Plat Books

Except in civil townships having a population of 35,000 or more and in civil townships in which a city of the second class is situated, the auditor of each county shall maintain a plat of each civil township of the county he serves. The plats shall be divided in such a manner that they clearly exhibit the ownership and assessed value of each parcel of real property. The plats shall be in the form and shall contain the information prescribed by the State Board of Tax Commissioners, and they shall be kept current. [IC 6-1.1-5-1]

Notwithstanding the foregoing provisions most county auditors maintain plat books for all taxing districts and, if being maintained by the county auditor, this practice is encouraged as an effective control over the ownership of assessment records.

When deeds are presented for transfer the legal description should be checked to the description shown in the plat books and, to comply with the provisions of IC 6-1.1-5-1 requiring the books to be kept current, the name or names of the owners should be changed each time real property is transferred. If an error is found in the deed presented for transfer, such error should be called to the attention of the person presenting the deed and, if necessary, correction should be made prior to transferring the property for taxation.

Assessors' Books and Supplies

Before the assessment date of each year, the county auditor shall deliver to each township assessor the proper assessment books and necessary blanks for the listing and assessment of personal property. [IC 6-1.1-3-5]

The State Board of Tax Commissioners has prescribed County Form No. 29, Real Estate Assessor's Book, and County Form No. 29A, Personal Property Assessor's Book, for use of township assessors in making assessments and filing the assessment lists with the county auditor at the close of the assessment period. In addition, the State Board of Tax Commissioners has prescribed County Form No. 29B, Township Assessor's Supplemental List of Personal Property Assessments, for use of township assessors in reporting personal property assessments filed after the assessor's book has been filed with the county auditor.

Instructions in the use of the assessor's books, issued by the State Board of Tax Commissioners, are included in the manual as Appendix E.

Real Estate Assessor's Book

The county auditor of each county shall annually prepare and deliver to the township assessor of each township, County Form No. 29, Real Estate Assessor's Book, within thirty (30) days after the assessment date, except for civil townships having a population of 35,000 or more and in civil townships in which a city of the second class is situated, where the books are prepared by the township assessor. [IC 6-1.1-5-8] The "assessment date" is March 1 which means the book is to be delivered by March 31.

A separate real estate assessor's book should be prepared for each taxing district, from the transfer book (real estate ownership record) and, pursuant to the law cited, shall be delivered to the township assessor responsible for the assessment of the real estate in such taxing district.

In preparing the assessor's book care should be taken to observe the instructions issued by the State Board of Tax Commissioners (Appendix E). Of particular importance is real estate transferred to a new owner on the transfer book since the last assessment period, where there is a change in the "land usage" or where land has been subdivided or rezoned, which requires the real estate to be reassessed, pursuant to the provisions of IC 6-1.1-4-12. For example, where a deed is presented for transfer of a portion of a tract of land assessed for agricultural purposes and it is to be used for another purpose, such as for construction of a residence, a proportionate reduction should be made in the assessed valuation of the land of the seller for agricultural purposes but no assessment should be entered in the name of the purchaser, since the law cited requires the land be reassessed. The same is true with respect to transfers of land from agricultural or residential to industrial or commercial. To assist assessors in maintaining current valuations according to the land usage, county auditors should be constantly alert to such changes when deeds are transferred for taxation.

On or before the first Monday in June of each year each township assessor shall, under oath, prepare and deliver to the county auditor a detailed list of the real property listed for taxation in the township. The township assessor shall prepare the list on the form prescribed by the State Board of Tax Commissioners. [IC 6-1.1-5-14] The Real Estate Assessor's Book has been prescribed to comply with this law, in which the assessments shall be listed. Any additional assessments or changes in assessments during such assessment period shall then be subject to review by the county property tax assessment board and the State Board of Tax Commissioners, as provided for by law.

The Real Estate Assessor's Book also contains columns in which all deductions and exemptions from assessments shall be entered. After the property tax assessment board has adjourned, the changes in assessments shall be entered in the transfer books and in the "controls" over real estate assessments, discussed on page 9-3, if maintained by the auditor.

After all entries have been completed in this book and the Personal Property Assessor's Book discussed herein, the books shall be totaled for use in (1) preparing the abstract of assessments required to be furnished the State Board of Tax Commissioners, (2) for compiling the net assessed valuation of taxable property required to be furnished each governmental unit for the preparation of budgets, and (3) for preparing the tax duplicate.

Personal Property Assessor's Book

On or before the first Monday in June of each year each township assessor shall deliver to the county auditor the Personal Property Assessor's Book, which states by taxing district the personal property assessments filed with the assessor on or before the filing date of that year. [IC 6-1.1-3-17] The prescribed form is designed to show the name, address and assessment of each taxpayer for use in preparing the tax duplicate and mailing notices and statements to each taxpayer.

On or before July 15 of each year, each township assessor shall deliver to the county auditor Form No. 29B, Township Assessor's Supplemental List of Personal Property Assessments. This list shall contain, by taxing district, the personal property assessments as shown on returns filed with the assessor after the filing date and before July 1 of that year and any assessment changes made before July 1 of that year by the assessor. [IC 6-1.1-3-17]

All personal property assessments are subject to review by the county property tax assessment board and by the State Board of Tax Commissioners. The further use of this record is covered in Appendix E and in the last paragraph of the preceding instructions pertaining to the Real Estate Assessor's Book.

Assessment of Public Utilities

The property owned or used by a public utility company, including without limitation, railroads, pipe line companies, electric, gas, steam and water utilities, telephone, telegraph and cable companies and bus companies, shall be assessed by the State Board of Tax Commissioners in the manner prescribed in IC 6-1.1-8.

As soon as the State Board of Tax Commissioners determines its final assessments of distributable property, the board shall certify to the county assessor and county auditor of each county: (1) the distributable property assessed values which the board determines are distributable to the taxing districts of the county; and (2) the assessed values, according to the board's records, of fixed property located in the taxing districts of the county. [IC 6-1.1-8-27]

In addition, if a public utility company has appealed the board's final assessment of the company's distributable property, the board shall notify the county auditor of the appeal. [IC 6-1.1-8-27]

The county assessor shall review the State Board of Tax Commissioners' certification to determine if any of a public utility company's property which has a definite situs in the county has been omitted. The county auditor shall enter for taxation the assessed valuation of a public utility company's distributable property which the board distributes to a taxing district of the county. [IC 6-1.1-8-27]

Public utility assessments are usually certified by the State Board of Tax Commissioners to each county auditor during the month of August so that the assessments will be available in compiling the net assessed valuations to be certified by the county auditor to local governmental units for use in preparing budgets. The assessments for each public utility are listed by taxing unit (district) on Form No. 11A for all utilities, except for railroads which are listed on Form No. 32-10. The assessments are also accompanied with a memorandum from the State Board of Tax Commissioners clearly explaining the manner of handling the assessments on the records.

Assessment of Mobile Homes

The assessment of mobile homes is governed by 50 IAC 3.1 issued by the State Board of Tax Commissioners.

The Notice of Assessment of Mobile Home, Form No. 2, shall be prepared in quadruplicate by the township assessor and the pink copy forwarded to the county auditor. Upon receipt of mobile home assessments from the township assessor, the county auditor shall enter the assessments in a separate section of the tax duplicate for each taxing district titled "Mobile Homes." The mobile homes section should be placed immediately following the regular section of the duplicate for real estate and personal property assessments and taxes reported on the March abstract. By observing this procedure, delinquencies from prior years on mobile homes, which must be reported on the previous December settlement and brought forward to the current year's duplicate, will be included on the March abstract.

The tax on a mobile home is due and payable in the same year as the assessment is made. For example, the tax on a mobile home assessed as of January 15, 1990, is due and payable in two (2) installments on May 10, 1990, and November 10, 1990, unless the entire amount of the tax is less than twenty-five dollars (\$25.00) and council has adopted an ordinance requiring the owner to pay the entire tax liability in the May installment. The same penalties for delinquencies apply to mobile home taxes as apply to property taxes.

The collection of taxes on mobile homes shall be enforced by the county treasurer in the same manner as delinquent personal property taxes, by making a demand for payment and either by levy on and sale of the mobile home or other personal property of the taxpayer, or by certification of the delinquencies to the clerk of the circuit court where they become a judgment against the taxpayer.

Additional Assessments

Pursuant to IC 6-1.1-9-1, the county auditor, county treasurer, township assessor, county assessor, or county property tax assessment board may assess any real or personal property which has been omitted from, or undervalued on, the assessment rolls or the tax duplicate for any year or years, by following the provisions of that law and subject to the limitations and further provisions of IC 6-1.1-9.

The State Board of Tax Commissioners has prescribed Form No. 122, Report of Assessment for Omitted or Undervalued Property, which form should be filed with the county auditor when a township assessor or county official assesses any omitted or undervalued property. The form provides a media for entering or changing assessments in the records of the auditor's office and in entering such assessments and the taxes due thereon in the tax duplicate.

The report is designed to show the year for which the assessment was made or, in the case of a personal property assessment return, the due date for filing the return, so that penalties which might be due for failure to file a personal property return by the due date, or interest which might be payable on the taxes charged, may be computed and entered in the tax duplicate. The State Board of Tax Commissioners has also prescribed Form No. 122A, Report of Assessment Penalties, for use of township assessors in reporting penalties on personal property returns filed after the due date.

These forms are not required when additional assessments are made by the county property tax assessment board, upon appeal to or upon action by that board, since changes in assessments will be shown in the minutes of the board. If desired, however, Form No. 122 may be used to provide a posting media for all additional assessments to insure that they are properly entered in the records.

The matter of entering additional assessments on the tax duplicate and instructions pertaining to the penalties and interest for late assessments are discussed in Section F of this Chapter.

Reductions in Assessments

After the lists of assessments (assessors' books) are filed with the county auditor, changes in the assessments, except for omitted or undervalued property previously discussed, may be made only upon appeal to the county property tax assessment board or by filing Form No. 133, Petition for Correction of Error, which form must be approved by three of the following four officials: township assessor, county assessor, county auditor and county treasurer. If less than three sign, the county auditor shall refer the matter to the State Board of Tax Commissioners. There is no authority for changes to be made upon the sole request of a township assessor or other official. This matter is further discussed in Section F under "Certificates of Error."

The State Board of Tax Commissioners has also prescribed two other forms to be used in correcting (reducing) assessments. The forms are: Form No. 91A, Petition for Correction of Assessment of Property Appropriated for Public Use, and Form No. 135, Affidavit of Destroyed or Removed Property. Upon following the instructions and requirements set out on Form No. 135, the auditor is authorized to accordingly reduce the assessment on the property affected. In the case of Form No. 91A, however, this form must be attached to Form No. 134, Petition for Real Estate Reassessment, to be acted upon by the State Board of Tax Commissioners.

All such petitions must be carefully filed by the auditor to support reductions made in assessments.

Petitions for Reassessment of Real Estate

A petition for the reassessment of real property may be filed with the State Board of Tax Commissioners on or before March 31 of any year which is not a general election year. [IC 6-1.1-4-5] The petition must be filed on Form No. 134, Petition for Real Estate Reassessment, prescribed by the State Board of Tax Commissioners, and may be filed by the assessor of the township, the assessor of the county, or by the owner or owners of the parcel or parcels of real property.

In addition, IC 6-1.1-4 contains other provisions with respect to filing petitions for reassessment of real property, including property partially or totally destroyed as a result of a disaster. A "137R" (Petition for Survey and Reassessment - Real and Personal Property Partially or Totally Destroyed by Disaster) is used for this purpose.

Appeals to Property Tax Assessment Board

A taxpayer may obtain a review by the county property tax assessment board of a county or township official's action with respect to the assessment of the taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. In order to appeal a current assessment and have a change in the assessment effective for the most recent assessment date, the taxpayer must file a petition with the auditor of the county in which the action is taken within forty-five (45) days after the notice of a change is given the taxpayer or May 10 of that year, whichever is later. [IC 6-1.1-15-1]

A change in assessment made as a result of an appeal filed in the same year that notice of a change in the assessment is given to the taxpayer and after the time mentioned in the previous paragraph becomes effective for the next assessment date.

A taxpayer may appeal a current real estate assessment in a year even if the taxpayer has not received a notice of assessment in the year. If an appeal is filed on or before May 10 of a year in which the taxpayer has not received notice of assessment, a change in the assessment resulting from the appeal is effective for most recent assessment date. If the appeal is filed after May 10, the change becomes effective for the next assessment date.

The petition (appeal) to the county property tax assessment board shall be filed on Form No. 130RA (Residential and Agricultural), 130CI (Commercial and Industrial), and 130PP (Personal Property), Petition to the County Property Tax Assessment Board for Review of Assessment, prescribed by the State Board of Tax Commissioners.

SECTION C - COUNTY PROPERTY TAX ASSESSMENT BOARD

The organization of the county property tax assessment board, the duration of the session of the board and the notice required to be given by the county auditor of the time, place and purpose of the annual session are discussed on page 3-10 of this manual. The powers and duties of the board with respect to assessments are set out in IC 6-1.1-28 and 6-1.1-13. Prior to convening the board, each freehold member of the board shall take and subscribe to the oath prescribed in IC 6-1.1-28-2, which oath shall be administered by and filed with the county auditor.

The powers granted to the county property tax assessment board under IC 6-1.1-13 apply only to the tangible property assessments made with respect to the last preceding assessment date. Before a county property tax assessment board changes any valuations or adds any tangible property and the value of it to a return or the assessment rolls under this Chapter, the board shall give prior notice by mail to the taxpayer. The notice must state a time when and place where the taxpayer may appear before the board. The time stated in the notice must be at least ten (10) days after the date the notice is mailed. [IC 6-1.1-13-1] It is important to note that this section restricts the powers of the board only to assessments made during the last preceding assessment period; the board has no authority to reduce an assessment made in a prior year, although the board does have the power to assess omitted or undervalued property for any year or years, pursuant to IC 6-1.1-9-1, by following the provisions in IC 6-1.1-9 and subject to the limitations in that chapter.

When the county property tax assessment board convenes, the county auditor shall submit to the board the assessment list of the county for the current year as returned by the township assessors and as amended and returned by the county assessor. The county assessor shall make recommendations to the board for corrections and changes in the returns and assessments. The board shall consider and act upon all the recommendations. [IC 6-1.1-13-2]

A county property tax assessment board shall, on its own motion or on sufficient cause shown by any person, add to the assessment list the names of persons, the correct assessed valuation of undervalued or omitted personal property, and the description and correct assessed valuation of real property undervalued on or omitted from the lists. [IC 6-1.1-13-3]

The board has other powers and duties enumerated in IC 6-1.1-13, 6-1.1-9, 6-1.1-15 and 6-1.1-28 and these chapters of the Code should be carefully reviewed when the board convenes.

In addition to the board's duties with respect to assessments, the board also has the duty to act upon all applications for tax exemptions, pursuant to IC 6-1.1-11, and shall also act upon all applications for mortgage deductions, pursuant to IC 6-1.1-12-4 through 6-1.1-12-7. This matter is more fully covered in Section D of this Chapter.

The county auditor, as secretary of the board, shall keep full and accurate minutes of the proceedings of the board. A majority of the board constitutes a quorum for the transaction of business. Any question properly brought before the board may be decided by the agreement of the majority of the whole board. [IC 6-1.1-28-1] It is most important, since the board speaks from its minutes, that the minutes show the action by the board on each assessment or matter before the board.

Appeals to State Board of Tax Commissioners

A taxpayer may obtain a review by the State Board of Tax Commissioners of a county property tax assessment board's action with respect to the assessment of that taxpayer's tangible property if the county board's action requires the giving of notice to the taxpayer.

A township assessor or a member of a county property tax assessment board may obtain a review by the State Board of Tax Commissioners of any assessment which he has made, upon which he has passed, or which has been made over his protest.

In order to obtain a review by the State Board of Tax Commissioners under this section, the party must file a petition for review with the appropriate county auditor within thirty (30) days after notice of the county property tax assessment board's action is given to the taxpayer.

When a petition for review is filed under this section, the county auditor shall transmit the petition to the State Board of Tax Commissioners within ten (10) days after the petition for review is filed. [IC 6-1.1-15-3]

The State Board of Tax Commissioners has prescribed Form No. 131PP and 131RP, Petition to the State Board of Tax Commissioners for Review of Assessment, which should be used in filing appeals under the above cited law.

In addition, pursuant to IC 6-1.1-11-7, where an application for tax exemption has been disapproved by the county property tax assessment board, the owner may, in the manner prescribed in IC 6-1.1-15-3, within thirty (30) days after notice of disapproval is mailed, petition the State Board of Tax Commissioners to review the county board's determination. The State Board of Tax Commissioners has prescribed Form No. 132, Petition to the State Board of Tax Commissioners for Review of Exemption, for filing appeals under that law.

SECTION D - EXEMPTIONS AND DEDUCTIONS

IC 6-1.1-1 contains the following definitions:

"Exemption" means a situation where a certain type of property, or the property of a certain kind of taxpayer, is not taxable under this article.

"Deduction" means a situation where a fixed dollar amount is subtracted from the assessed valuation of property before tax liability is calculated.

Except as otherwise provided by law, the property of the United States and its agencies and instrumentalities, the property of the State of Indiana or a state agency, and the property owned by a political subdivision of this state is exempt from assessment and taxation.

The exemptions and deductions allowed under existing laws include the following:

1. Property used for municipal, educational, literary, scientific, religious or charitable purposes.
[IC 6-1.1-10]
2. Mortgage or Contract Deductions. [IC 6-1.1-12-1]
3. Age 65 Deductions. [IC 6-1.1-12-9]

4. Blind or Disabled Deductions. [IC 6-1.1-12-11]
5. Veterans Deductions (Including Spouses)
 - a. Service Connected Disability. [IC 6-1.1-12-13]
 - b. Totally Disabled. [IC 6-1.1-12-14]
 - c. Surviving Spouses of Veterans who Served Prior to November 12, 1918. [IC 6-1.1-12-16 and IC 6-1.1-12-17]
 - d. World War I Veterans. [IC 6-1.1-12-17.4]
6. Deductions From Assessments of Rehabilitated Property. [IC 6-1.1-12-18; 6-1.1-12-22]
7. Deductions From Assessed Valuations Attributed to Solar Energy System. [IC 6-1.1-12-26]
8. Other Deductions
 - a. Wind Power Device. [6-1.1-12-30]
 - b. Hydroelectric or Geothermal. [6-1.1-12-35]
 - c. Coal Conversion. [6-1.1-12-31]
 - d. Resource Recovery. [6-1.1-12-28.5]

In addition to the foregoing, there are laws allowing owners to claim an exemption from assessment for industrial waste control facilities, for stationary air purification systems and for property stored in warehouses, grain elevators or other storage places; however, these exemptions are claimed on forms prescribed by the State Board of Tax Commissioners to be filed with the township assessor as a part of the annual personal property assessment returns, and are allowed by the township assessor in connection with the assessment of personal property, subject to review and appeal in the manner provided by law.

The county auditor's duties with respect to the exemptions and deductions enumerated herein are discussed on this and the following pages.

Tax Exempt Property

Not-for-profit corporations are required to file a property tax exemption application every four years. Effective January 1, 1988, all not-for-profit corporations that filed for exemption in 1984 are on a four-year cycle beginning with that year. In 1985 through 1987, exemption applications were required only from newly formed or newly qualified not-for-profit corporations, and from those that filed in 1984 and then had a change of circumstances that affected the exemption. Those corporations that filed in 1985 through 1987 are therefore on different four-year cycles. Those corporations are on the same cycle as the majority that file on a four-year cycle beginning in 1984. Any not-for-profit corporation is still required to file in its first year of qualification for exemption and in any year when a change of circumstances affects the exemption. [IC 6-1.1-11-3.5]

Applications for exemption of property used for municipal, educational, literary, scientific, religious and charitable purposes are required to be filed with the county auditor on or before May 15, in duplicate, on Form No. 136, Application for Property Tax Exemption, prescribed by the State Board of Tax Commissioners. [IC 6-1.1-11-3] A not-for-profit corporation that receives an exemption in a particular year that remains eligible for the exemption in the following year is only required to file a statement to apply for the exemption every four years, if the use of the property remains unchanged. [IC 6-1.1-11-3.5] A fee of two dollars (\$2.00) for each exemption application shall be collected by the auditor and paid into the county general fund at the close of each month in the same manner as other fees due the county. [IC 6-1.1-11-10]

Before the convening of the county property tax assessment board, the county auditor shall arrange the tax exemption applications in alphabetical order by taxing districts and shall submit the exemption applications to the county property tax assessment board for examination. [IC 6-1.1-11-6]

The county property tax assessment board, after careful examination, shall approve or disapprove each exemption application and shall note its action on the application. If the exemption application is disapproved by the county property tax assessment board, the county auditor shall notify the applicant by mail. Within thirty (30) days after the notice is mailed the owner may, in the manner prescribed in IC 6-1.1-15-3, petition the State Board of Tax Commissioners to review the county board's determination. [IC 6-1.1-11-7] The notice shall be given on Form No. 120, Notice of Disapproval of Exemption, and the petition by the owner shall be filed on Form No. 132, Petition to the State Board of Tax Commissioners for Review of Exemption, both of which forms are prescribed by the State Board of Tax Commissioners.

On or before August 1 of each year, the county auditor of each county shall forward to the State Board of Tax Commissioners the duplicate copies of all approved exemption applications, which board then has authority to review the applications and, by following the procedures prescribed by law, may deny an application. [IC 6-1.1-11-8]

All property subject to assessment shall be assessed in the usual manner whether or not it is exempt from taxation and shall be entered in the tax duplicate in the same manner as other property. The amount of the exemption allowed by the county property tax assessment board or, upon appeal or upon action by the State Board of Tax Commissioners, shall be entered in the column headed "Exemptions and Deductions," designated by the letter "E," and the net assessed valuation of taxable property, if any, shall be entered upon which taxes will be computed.

If the owner of any property which was exempt in the immediately preceding year fails to file an application for exemption for that year, the county auditor is required to mail a notice to the owner stating that the property will be placed on the tax duplicate unless the owner applies for an exemption within fifteen (15) days after the notice is mailed. The county auditor shall mail any notice required by this section on or before June 15 of the year in which the exemption applicable should have been filed. If the auditor fails to give the notice required by this section, an exemption application may later be filed by the owner and approved by the county property tax assessment board on or before the first Monday in November following the year in which the application should have been filed. [IC 6-1.1-11-5] The notice required under this section shall be filed on Form No. 119, Notice of Lapse of Exemption, prescribed by the State Board of Tax Commissioners.

Mortgage or Contract Deductions

Applications for mortgage or contract deductions must be filed in duplicate on forms prescribed by the State Board of Tax Commissioners, with the auditor of the county in which the real property is located, during the twelve (12) months before May 11 of each year [IC 6-1.1-12-2]; except, that an individual who receives a mortgage or contract deduction in a particular year and who remains eligible for the deduction in the following year is not required to file a statement to apply for the deduction in the following year. [IC 6-1.1-12-17.8]

Applications for mortgage or contract deductions shall be filed on Certificate of Mortgage or Contract Indebtedness, for which a fee of one dollar (\$1.00) shall be collected by the auditor for each application to be paid into the county general fund at the close of each month in the same manner as other fees due the county. No other fee may be charged by the county auditor or his employees for filing of preparing a mortgage deduction application. [IC 6-1.1-12-8]

Each year, before the convening of the county property tax assessment board, the county auditor shall place the original copies of all mortgage deduction applications in alphabetical order by taxing districts and shall place the duplicate copies in alphabetical order for the entire county without regard to taxing districts. The property tax assessment board shall ascertain from the alphabetical files whether or not more than one application has been filed by the same person and shall then take appropriate action to grant mortgage deductions in amounts that do not exceed the maximum amount due each person by law. [IC 6-1.1-12-7]

Where an application shows the residence of the applicant to be in another county or where the application shows the applicant has filed for deduction in another county, the county auditor shall immediately transmit a copy of the application to such other county. Upon receipt, the county property tax assessment board of such other county shall note thereon the amount allowed in that county or that no application has been filed and shall return the copy to the auditor of the originating county, and the property tax assessment board of the originating county shall grant only such deduction as permitted the applicant by law. [IC 6-1.1-12-6]

The amount which may be allowed any person and the amount which may be allowed on any one property or on any one mortgage and other requirements which must be met in the allowance of the deduction, are set out in a bulletin issued by the State Board of Tax Commissioners, included as Appendix F in this manual.

Age 65 Deductions

An individual who is at least sixty-five (65) years of age or the surviving spouse who is at least sixty (60) years of age and who meets the provisions of IC 6-1.1-12-9 may claim the deduction provided in that section by filing a sworn statement with the county auditor of the county in which the real property or mobile home is located. With respect to real property, the statement must be filed during the twelve (12) months before May 11 of each year for which the individual wishes to obtain the deduction. With respect to a mobile home which is not assessed as real property, the statement must be filed between January 15 and March 31, inclusive, of each year for which the individual wishes to obtain the deduction. [IC 6-1.1-12-10.1]; except that an individual who receives an age 65 deduction in a particular year and who remains eligible for the deduction in the following year is not required to file a statement to apply for the deduction in the following year. [IC 6-1.1-12-17.8] The State Board of Tax Commissioners has prescribed Affidavit of Person 65 Years of Age or More Requesting Property Tax Exemption on which such deduction shall be claimed.

The amount which may be allowed an applicant and the requirements to be met in the allowance of the deduction, as well as answers to certain questions relating to the deductions, are set out in a bulletin issued by the State Board of Tax Commissioners, included as Appendix F in this manual.

Blind or Disabled Deductions

An individual who meets the provisions of IC 6-1.1-12-11 may claim the deduction provided for in that section by filing an application with the auditor of the county in which the real property is located during the twelve (12) months before May 11 of each year [IC 6-1.1-12-12]; except that an individual who received a blind or disabled deduction in a particular year and who remains eligible for the deduction in the following year is not required to file a statement in the following year. [IC 6-1.1-12-17.8]

Applications shall be filed on Affidavit for Blind Person's Deduction, prescribed by the State Board of Tax Commissioners. The qualifications required to be met by each applicant are set out on the application and in Appendix F of this manual.

Veterans Deductions

There are four laws under which deductions are allowed to veterans and their surviving spouses. In all cases, the applications for the deductions must be filed with the county auditor during the twelve (12) months before May 11 of each year, except that an individual who receives a veteran's deduction in a particular year and who remains eligible for the deduction in the following year is not required to file a statement in the following year. [IC 6-1.1-12-17.8]

Total Disability - A veteran or the surviving spouse of any such veteran who is totally disabled and meets the provisions of IC 6-1.1-12-14 may have the sum of \$2,000 deducted from the assessed value of his or her tangible property.

Service Connected Disability - Any veteran or the surviving spouse of such veteran may have the sum of \$4,000 deducted from the assessed value of his or her taxable tangible property where the veteran was disabled with the service connected disability of 10% or more and meets the other provisions of IC 6-1.1-12-13.

Surviving Spouse of Veteran - A surviving spouse of a deceased veteran who served in the military or armed forces of the United States before November 12, 1918 and who meets the provisions of IC 6-1.1-12-16 may receive a deduction of \$3,000 from the assessed value of his or her tangible property, providing the spouse does not receive the deduction provided for service connected disability under IC 6-1.1-12-13.

World War I Veterans - A World War I veteran who meets the requirements of IC 6-1.1-12-17.4 is entitled to have the sum of \$3,000 deducted from the assessed value of his real property, including a mobile home which is assessed as real property.

All types of Veteran's Deductions are filed on one form, Application for Tax Deduction for Disabled Veterans, World War I Veterans and Surviving Spouses of Certain Veterans. See Appendix F for instructions concerning the allowance of these deductions.

Rehabilitated Property

There are two laws under which the owner of real property may receive a deduction from the assessed value of improvements thereon, subject to the requirements and limitations in each such law. These two laws are:

1. Rehabilitated Residential Property, IC 6-1.1-12-18 through 6-1.1-12-21.
2. Rehabilitated Residential and Other Property, IC 6-1.1-12-22 through 6-1.1-12-25.

Applications for the deductions under (1) above are to be filed on Form No. 322, Application for a Deduction on Assessment on Rehabilitated Property, and under (2) above are to be filed on Form No. 322A, Application for Deduction from Assessed Valuation of Rehabilitated Property, both of which forms are prescribed by the State Board of Tax Commissioners. Applications must be filed before May 10 of the year in which the addition to assessed value is made; provided, that if notice of the addition to assessed value for any year is not given to the property owner before April 10 of that year, the application may be filed not later than thirty (30) days after the date such notice is mailed to the property owner. The application forms contain instructions with respect to filing the applications and further instructions concerning the allowances are set out in Appendix F of this manual.

A person may receive either the deduction provided in IC 6-1.1-12-18 or the deduction provided in IC 6-1.1-12-22 but may not receive deductions under both laws. [IC 6-1.1-12-25]

A deduction under either of these laws is applicable in the year in which the increase in assessed value resulting from the rehabilitation occurs and shall continue for the following four (4) years. In the sixth year the county auditor shall add the amount of the deduction to the assessed value of the property. A general reassessment of real property which occurs within the five (5) year period of the deduction does not affect the amount of the deduction. [IC 6-1.1-12-19; 6-1.1-12-23] In view of the limitations provided in the laws cited, it is most important that applications filed in each year be separately bound or filed to insure that the deduction is not allowed beyond the five (5) year period.

Under the laws cited the assessor of the township in which the property is located is required to verify the contents of each application and the county auditor shall make the deduction. The deductions shall be handled on the tax duplicate in the same manner as any other deduction by showing the assessed value of the improvements (prior to the deduction) and by including the amount of the deduction in the column headed "Exemptions and Deductions."

Solar Energy System

The owner of real property which is equipped with a solar energy heating or cooling system may have deducted annually from the assessed value of the real property the assessed value of a solar energy heating or cooling system, subject to the requirements and limitations in IC 6-1.1-12-26 through 6-1.1-12-27.1, by filing a certified statement, in duplicate, on forms prescribed by the State Board of Tax Commissioners, with the auditor of the county in which the real property or mobile home is subject to assessment. With respect to real property, the person must file the statement during the twelve (12) months before May 11 of each year for which he desires to obtain the deduction. With respect to a mobile home which is not assessed as real property, the person must file the statement between January 15 and March 31, inclusive, of each year for which he desires to obtain the deductions. The statement shall be verified by the assessor of the township in which the real property is located and the county auditor shall make the deduction.

Applications shall be filed on Form No. SES-1, Statement for Deduction of Assessed Valuation Attributed to Solar Energy System, prescribed by the State Board of Tax Commissioners. The assessed valuation of property shall be entered on the tax duplicate in the same manner as other assessed property, with the deduction to be entered in the column headed "Exemptions and Deductions."

A person who receives this deduction and who remains eligible for the deduction for the following year is not required to file a statement to apply for the deduction for the following year. [IC 6-1.1-12-36]

Other Deductions

IC 6-1.1-12-28.5 through IC 6-1.1-12-35 and IC 6-1.1-12.1, provides for deductions, under certain circumstances, for resource recovery systems; wind power devices; coal and shale conversion systems; hydroelectric power devices; geothermal energy heating and cooling devices; and, rehabilitated property. Applications for these deductions should be filed on forms prescribed by the State Board of Tax Commissioners.

Allowance of Exemptions and Deduction

The county property tax assessment board has jurisdiction over the allowance of applications for tax exemptions. The board also has jurisdiction over the allowance of mortgage deductions; however, the county auditor is in the position of being better informed as to the maximum deduction to which any person is entitled and should assist the board in making its determination.

The county auditor, in the case of all other applications for deductions, is required to determine the eligibility of each applicant, although applications for deductions on rehabilitated property and solar energy systems are required to be verified by the assessor of the township in which the real property is located.

It is extremely important that employees in the county auditor's office who receive applications for exemptions and deductions be thoroughly familiar with the provisions of the laws cited herein, to the instructions on the application forms and to the bulletins in the Appendix issued by the State Board of Tax Commissioners, so the eligibility of each applicant may be determined. This is especially true with respect to applications for persons age 65, blind persons and veterans and their surviving spouses whose eligibility should be determined at the time the applications are filed. If a question arises concerning the eligibility of an applicant which is not answered by the reference material available, the question should be referred to the State Board of Tax Commissioners which has jurisdiction in the matter.

All exemptions and deductions are required to be entered in the tax duplicate in the column headed "Exemptions and Deductions," with each kind designated by letter as follows: A-Age 65, B-Blind, C-Coal and Shale Conversion Systems; E-Tax Exempt Property; G-Geothermal; H-Hydroelectric Power Devices; M-Mortgage; R-Rehabilitated Property; Rr-Resource Recovery Systems; V-Veterans and Their Surviving Spouses; and, W-Wind Power Devices.

SECTION E - STATE BOARD OF TAX COMMISSIONERS

Powers and Duties

The State Board of Tax Commissioners has broad powers in the administration of the property tax laws. Included, without limitation, are the following:

1. Promulgate rules and regulations concerning the assessment of tangible property; prescribe or promulgate the property tax forms and returns which taxpayers are to complete and on which the taxpayer's assessments will be based; and prescribe or promulgate the forms to be used to give taxpayers notice of assessment actions.
2. Assess the property of all public utilities, including railroads.
3. Hold hearings and act upon all petitions and appeals filed with the board.
4. Review approved exemption applications filed with the board and to deny an exemption if the board determines the property is not tax exempt under the laws of this state.
5. Review and equalize assessments, both real and personal property.
6. Review the assessment or reassessment of any tangible property and to reassess the property.
7. Hold hearings and review the budgets of all governmental units, following action thereon by the county board of tax adjustment, and to fix the budgets, tax levies and rates for such units.

Orders From Tax Board

When the State Board of Tax Commissioners makes a determination on any matter before the board a notice or order of the board's action, or a copy thereof, will be furnished the county auditor, if it affects the records in that office. Upon receipt, the auditor is authorized to comply with such order or notice and to accordingly make necessary changes in the records.

Appeals to Courts

The rights of taxpayers to appeal assessments are provided by IC 6-1.1-15. Pursuant to Section 5 of that Chapter, IC 6-1.1-15-5, a person may appeal the State Board of Tax Commissioners' final determination regarding an assessment to the Indiana Tax Court within forty-five (45) days after the date of the notice.

Effect of Appeals Upon Assessments

If a petition for review to any board, or an appeal to any court, regarding an assessment or increase in assessment is pending, the taxes resulting from the assessment or increase in assessment are, notwithstanding the provisions of IC 6-1.1-22-9 and 6-1.1-37-9, not due until after the petition for review, or the appeal, is finally adjudicated and the assessment or increase in assessment is finally determined. However, even though a petition for review or an appeal is pending, the taxpayer shall pay taxes on the tangible property when the property tax installments come due. The amount of taxes which the taxpayer is required to pay, pending the final determination of the assessment or increase in assessment, shall be based on:

1. The assessed value reported by the taxpayer on his personal property return if a personal property assessment, or an increase in such an assessment, is involved; or
2. An amount based on the immediately preceding year's assessment of real property if an assessment, or increase in assessment, of real property is involved.

If the petition for review or the appeal is not finally determined by the last installment date for the taxes, the taxpayer, upon showing of cause by a taxing official or at the court's discretion, may be required to post a bond or provide other security in an amount not to exceed the taxes resulting from the contested assessment or increase in assessment.

Each county auditor shall keep separate on the tax duplicate each contested assessment and each contested increase in assessment. The State Board of Tax Commissioners shall not consider contested assessments or contested increases in assessments when establishing rates and calculating state school support. [IC 6-1.1-15-10] Additional information regarding appeals is included in Appendix Q.

If a review or appeal authorized under this chapter results in a reduction of the amount of an assessment or if the State Board of Tax Commissioners on its own motion reduces an assessment, the taxpayer is entitled to a credit in the amount of any overpayment of tax on the next successive tax installment, if any, due in that year. If, after the credit is given, a further amount is due the taxpayer, he may file a claim for the amount due. If the claim is allowed by the board of county commissioners, the county auditor shall, without an appropriation being required, pay the amount due the taxpayer. The county auditor shall charge the amount refunded to the taxpayer against the accounts of the various taxing districts to which the overpayment has been paid. [IC 6-1.1-15-11]

Where taxes on an assessment are not paid while an appeal is pending and they were "not due until after the petition for review, or the appeal, is finally adjudicated," pursuant to the law quoted herein, no penalty shall attach to such taxes until the next succeeding May 10 or November 10 when such taxes are due and payable; however, the taxpayer is obligated to pay 10% interest thereon from the date the taxes for each installment would have been payable to the date of payment, or to the due date for payment of such taxes, pursuant to IC 6-1.1-37-9, which is further discussed in Section F of this Chapter.

SECTION F - PREPARATION OF TAX DUPLICATE

The auditor of each county shall, before March 15 of each year, prepare a roll of property taxes for the county. This roll shall be known as the "Tax Duplicate" and shall show:

1. The value of all the assessed property of the county;
2. The person liable for the taxes on the assessed property; and
3. Any other information that the State Board of Accounts, with the advice and approval of the State Board of Tax Commissioners, may prescribe.

The county auditor shall comply with the instructions issued by the State Board of Accounts for the preparation, preservation, alteration, and maintenance of the tax duplicate. The county auditor shall deliver a copy of the tax duplicate to the county treasurer before March 1st of each year. [IC 6-1.1-22-3]

County Form No. 9, Tax Duplicate, has been prescribed by the State Board of Accounts, in which record all assessments and taxes shall be entered and which record shall be used in accounting for all charges, credits and taxes returned unpaid. The prescribed form of tax duplicate is illustrated in Exhibit 16, pages 9-21 and 9-22.

The State Board of Accounts has approved alternate forms of the tax duplicate, unit ledger card system and computerized systems for many counties, in lieu of the prescribed form; however, where any alternate form or system has been approved, it is required that such form or system produce the same information as the prescribed form.

The tax duplicate should be prepared from the real estate assessors' books (real estate ownership records), the personal property assessors' books and the public utility and railroad assessments certified by the State Board of Tax Commissioners, giving consideration to the modification of such assessments upon appeal or action thereon by the county board of review or by the State Board of Tax Commissioners. A separate duplicate must be prepared for each taxing district.

The initial work in preparing the duplicate, if desired, may begin as early as the assessment date (March 1) by entering the names of owners and descriptions of the real estate therein at the time the real estate assessors books are prepared for township assessors. After the board of review adjourns they may then be completed by entering the assessments, exemptions and deductions and net value of taxable property on which taxes will be computed and billed. In those counties having mechanized equipment the initial preparation of the tax duplicate may begin at a later date but every effort should be made to enter all information on the duplicate to and including the "net value of taxable property" prior to receiving the final tax rates from the State Board of Tax Commissioners, in order to expedite delivery of the duplicate to the county treasurer for collection.

The State Board of Tax Commissioners will furnish the county auditor with the tax rates on which taxes for each taxing district are to be computed and will also furnish the percentage of state property tax replacement credit and homestead credit to be given taxpayers in each such taxing district. After computing the gross tax for each installment (column 5 of the duplicate), the state property tax replacement credit and homestead credit (column 6) and the net tax for each installment (column 7), the late assessment penalties shall be entered in columns 8 and 9 and the total current tax for the year, including late assessment penalties, shall be entered in column 10. Delinquencies from former years shall be entered in columns 11 and 12 and the total of all tax, penalties and interest extended into column 13. (See Exhibit 16, page 9-21)

Each column of the duplicate shall be added to arrive at the total assessments and taxes charged for each taxing district and the accuracy of each column proved. The proof should include multiplying the net value of taxable property times one-half of the tax rate for such taxing district to verify the correctness of the tax computed for each installment. Because of fractions of cents (mills) involved in computing each item of taxes there may be a variation between this computation and the total taxes in column 5; however, such variation should be minimal and if a large difference exists, the computations should be checked. It is well to make these computations as each page of the duplicate is completed and balanced to insure the correctness of the final totals. The same proof should be made of the state property tax replacement credit and homestead credit (column 6), as applied to the gross tax for each installment.

Notice to Taxpayers of Tax Rates

Immediately upon the receipt of the tax duplicate, the county treasurer shall give notice of the rate of tax per one hundred dollars (\$100) of assessed valuation to be collected in the county for each purpose and Board of Tax Commissioners three (3) times with each publication one (1) week apart.

The notice required by this section shall be printed in two (2) newspapers which are published in the county. However, if two (2) newspapers are not published in the county, the notice shall be printed in one (1) newspaper. [IC 6-1.1-22-4]

Abstract Filed With Auditor of State

On or before March 15 of each year, the county auditor shall prepare and deliver to the Auditor of State and the county treasurer a certified copy of an abstract of the property, assessments, taxes, deductions, and exemptions in each taxing district of the county. The abstract shall also contain a statement of the taxes and penalties unpaid in each taxing district at the time of the last settlement between the county auditor and county treasurer and the status of these delinquencies. The county auditor shall prepare the abstract on the form prescribed by the State Board of Accounts. The Auditor of State, county auditor, and county treasurer shall each keep a copy of the abstract in his office as a public record. [IC 6-1.1-22-5]

The abstract is filed on Form No. 1-A, Abstract of Property Valuations and Amount and Kind of Taxes Levied Thereon, prescribed by the State Board of Accounts. The abstract forms will be furnished county auditors by the Auditor of State at the time the December settlement forms are furnished by that office.

Taxes on Additional Assessments and Taxes Recharged

Taxes on additional assessments made or received after the tax duplicate has been completed and delivered to the county treasurer shall be entered in a separate section of the duplicate for each taxing district titled "Additional Assessments." Such assessments should not be commingled with mobile homes and tax judgments collected. This section of the duplicate will also be used for any taxes, penalties and interest recharged, resulting from certificates of error or tax refunds for assessments and taxes improperly listed in the regular tax duplicate.

The manner in which taxes on additional assessments should be entered in the tax duplicate is more fully covered in Appendix A of this manual. It is important that the instructions in Appendix A be carefully observed in entering current tax, as distinguished from prior year's delinquent tax, because of the effect of such entries upon the penalties added for nonpayment and upon the state property tax replacement credit on each entry.

Taxes on Mobile Homes

The assessment of mobile homes is discussed on pages 9-6 of this manual. Taxes on mobile homes shall be entered in a separate section of the tax duplicate for each taxing district titled "Mobile Homes."

The taxes on mobile homes shall be accounted for and reported in the same manner as taxes on additional assessments. The total charges shall be reported in the December settlement and any taxes returned unpaid shall be reported in the December settlement and carried forward to the succeeding year's tax duplicate.

The enforcement of the collection of taxes on mobile homes is discussed on page 9-6.

Delinquent Tax Judgments Collected

Collections on delinquent tax judgments and the interest thereon shall be entered on the tax duplicate by the county treasurer, in a "separate section" for each taxing district reserved for that purpose. The county treasurer is also required to enter the satisfaction of all judgments paid in the tax judgment record maintained in the office of the clerk of the circuit court and in the office of the treasurer.

The entries in the duplicate for each taxing district need only show the name of the taxpayer, reference to the judgment docket, the charge for the total judgment and interest collected in the "Delinquent Tax" column, and the date of payment and amount collected. The total of amounts collected for both settlements will be entered on line 19 of the apportionment sheets and the settlement sheet for the December settlement.

When a judgment is collected, interest thereon is required to be charged and collected by the treasurer and computed from the date of certification of the judgment to the clerk of the circuit court to the date of payment. Interest on judgments shall be computed at the rate of 6% per annum to and including September 2, 1971; at the rate of 8% per annum from September 3, 1971 through December 31, 1981; at the rate of 12% per annum from January 1, 1982 through June 30, 1988; at the rate of 10% per annum from July 1, 1988 through December 31, 1993; and at the rate of 8% per annum on or after January 1, 1994. [IC 24-4.6-1-101]

Penalties and Interest on Assessments

Penalties - If a person fails to file a required personal property return on or before the due date, the county auditor shall add a penalty of twenty-five dollars (\$25.00) to the person's next property tax installment. The county auditor shall also add an additional penalty to the taxes payable by the person if he fails to file the personal property return within thirty (30) days after the due date.

The amount of the additional penalty is twenty percent (20%) of the taxes finally determined to be due with respect to the personal property which should have been reported on the return.

A personal property return is not due until the expiration of any extension period granted by the township assessor under IC 6-1.1-3-7.

The penalties prescribed in this section do not apply to an individual or his dependents if he is in the military or naval forces of the United States on the assessment date; and is covered by the Federal Soldiers' and Sailors' Civil Relief Act. [IC 6-1.1-37-7]

If a person fails to include on a personal property return the information, if any, that the State Board of Tax Commissioners requires under IC 6-1.1-5-13, the county auditor shall add a penalty to the property tax installment next due for the return. The amount of the penalty is twenty-five dollars (\$25.00).

If the total assessed value that a person reports on a personal property return is less than the total assessed value that the person is required by law to report and if the amount of the undervaluation exceeds five percent (5%) of the value that should have been reported on the return, then the county auditor shall add a penalty of twenty percent (20%) of the additional taxes finally determined to be due as a result of the undervaluation. The penalty shall be added to the property tax installment next due for the return on which the property was undervalued. If a person has complied with all of the requirements for claiming a deduction, an exemption, or an adjustment for abnormal obsolescence, then the increase in assessed value that results from a denial of the deduction, exemption, or adjustment for abnormal obsolescence is not considered to result from an undervaluation for purposes of this subsection.

A penalty is due with an installment whether or not an appeal is filed under IC 6-1.1-15-5 with respect to the tax due on that installment.

Interest - When an assessment is made or increased after the date or dates on which the taxes for the year for which the assessment is made were due, the taxpayer shall pay the taxes thereon and interest on such taxes at the rate of ten percent (10%) per annum from the due date or dates of the installment or installments to the date of payment or, if not paid, to the date on which the taxes thereon are due and payable.

The taxpayer shall pay the taxes on such assessment and the 10% interest thereon on or before the due date of the next installment, May 10 or November 10, whichever occurs first. If, however, the taxpayer did not voluntarily sign and file an assessment return for the taxes, a notice of the assessment action must be received by the taxpayer at least thirty (30) days before the payment date. If not given the assessment notice within thirty (30) days before May 10 and November 10, the taxes shall be payable on the due date of the next succeeding installment.

If the taxpayer does not pay the taxes resulting from the assessment by the due date fixed for payment thereof, 10% penalty shall attach thereto and such tax will be subject to the further penalties prescribed by law. [IC 6-1.1-37-9] No interest is to be charged after the due date when the penalties for nonpayment accrue.

NOTE: PAGES 9-21 AND 9-22 ARE RESERVED FOR FORMS WHICH CAN
BE FOUND IN LOTUS FILE, AUDTFRMS.

Certificates of Error

Corrections of errors in the tax duplicates are to be made by the issuance of Certificates of Error, County Form No. 127-CE, and posted as a noncash credit on the tax duplicate. In addition, the certificates are required to be accounted for on County Form No. 127-CER, Register of Certificates of Error, and a copy of the register must be furnished to the Auditor of State with the December settlement.

A certificate of error may be issued for any one or more of the following reasons:

1. The description of the real property was in error;
2. The assessment was against the wrong person;
3. Taxes on the same property were charged more than one time in the same year;
4. There was mathematical error in computing the taxes or penalties on the taxes;
5. There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another;
6. The taxes, as a matter of law, were illegal;
7. There was a mathematical error in computing an assessment; or
8. Through an error of omission by any state or county officer, the taxpayer was not given credit for an exemption or deduction permitted by law.

The county auditor shall correct an error described under items (1), (2), (3), (4), or (5) when he finds that the error exists.

If the tax is based on an assessment made or determined by the State Board of Tax Commissioners, the county auditor shall not correct an error described under items (6), (7), or (8) until after the correction is either approved by the State Board of Tax Commissioners or ordered by a court that has jurisdiction over the matter.

If the tax is not based on an assessment made or determined by the State Board of Tax Commissioners, the county auditor shall correct an error described under items (6), (7), or (8) only after Form No. 133, Petition for Correction of Error, has been filed in duplicate by the owner of the property or his authorized representative and the petition is approved by at least three (3) of the following officials: the township assessor, the county assessor, county auditor and county treasurer. If less than three (3) of the four (4) officials sign such petition, the county auditor shall refer the matter to the County Property Tax Assessment Board for determination. The County Property Tax Assessment Board shall provide a copy of the determination to the taxpayer and to the county auditor. A taxpayer may appeal a determination of the County Property Tax Assessment Board to the State Board of Tax Commissioners for a final administrative determination. An appeal must be filed with the State Board of Tax Commissioners not more than thirty (30) days after the determination by the County Property Tax Assessment Board. The State Board of Tax Commissioners shall review the determination of the County Property Tax Assessment Board and send a final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor. The certificate of error should not be issued until after the order of the State Board of Tax Commissioners or Property Tax Assessment Board, approving the correction, has been received.

If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of error to the county treasurer. The county treasurer shall keep the certificate as his voucher for settlement with the county auditor. [IC 6-1.1-15-12]

Where a certificate of error is issued under item (2) or where taxes are refunded by reason of being assessed against and paid by the wrong person, be sure such taxes are recharged in the "additional assessments" against the person from whom the taxes are due.

SECTION G - LICENSE EXCISE TAXES

Vehicle License Excise Tax

The provisions of IC 6-6-5 impose an annual license excise tax upon any vehicle subject to annual registration as a condition of its operation on the public highways pursuant to the motor vehicle registration laws of the State of Indiana, except:

1. Vehicles owned or leased and operated by the governments of the United States, the State of Indiana and its political subdivisions.
2. Mobile homes and motor homes.
3. Vehicles assessed under the public utility tax law.
4. Trucks, the declared gross weight of which exceeds eleven thousand (11,000) pounds, trailers, semitrailers, tractors and buses.
5. Vehicles owned or leased and operated by an institution of higher education as defined in IC 6-3-3-5(d).
6. Vehicles owned, or leased and operated by a volunteer fire company.
7. Vehicles owned, or leased and operated by a volunteer emergency ambulance service.
8. Vehicles exempt from the payment of registration fees under IC 9-18-3-1.
9. Farm Wagons

The amount of tax due on each vehicle is based on the list price and age of the vehicle. IC 6-6-5-4 sets out seventeen (17) classifications of vehicles according to list price and IC 6-6-5-5 establishes the amount of tax due for each classification from the first year of manufacture through the tenth year and thereafter. The tax is computed and billed annually on the preregistration application forms by the State Bureau of Motor Vehicles, or computed by the local license branch offices, and is collected and accounted for by the branch offices of the bureau.

Monies collected by the local license branch offices are transmitted electronically to the county treasurer twice each week. Each county auditor and each county treasurer should receive a REGFUDET and REGFUTOT report from each auto license branch in the county for each day's business. The county treasurer should prepare a worksheet to reconcile the amounts shown on the REGFUTOT report to the electronic transfers of funds.

The following steps should be taken by the county auditor to record, balance, and distribute excise tax:

1. Compare reported totals from REGFUTOT to deposits in the county treasurer's excise tax account.

For counties without wheel tax/surtax, this will be the county tax column. For counties with wheel tax/surtax, this will be the total of the county tax column, and the surtax column.

2. Review the REGFUDET report, which is the detail of the registrations by taxing unit. Look for registrations that have been reported on the wrong taxing unit. We would suggest just showing your adjustments at the bottom of the unit's page, subtracting from the totals the registration(s) that does not belong in that unit and adding to the totals the registration(s) that belong in that unit.
3. Post County Tax total, as adjusted in Step 2, from the REGFUDET report to County Form 24F, County Auditor's Record of Annual License Excise Tax. This should be posted in the Received From Branches column. There should be one page per taxing unit.
4. Post Lottery Amount Due total, as adjusted in Step 2, from the REGFUDET report to an accumulation worksheet. This can be on any developed application that you need to use for your county. The example used in this discussion was put on the spreadsheet in Lotus 123. It could also be done manually using columnar pads. This form is not a prescribed form nor does it need to be approved. This is just a tool to help accumulate the totals to apportion the lottery distribution.
5. Post County Tax total from the REGFUTOT report to County Form 24F, Control page. This form will show the county as a whole. At all times the total of all the taxing units County Form 24F should agree with the total on the County Form 24F, Control. Other terms for this would be that the Form 24F's are the subsidiary ledgers and the Form 24F, Control is the control ledger. The subsidiary ledgers should always equal the control ledger.
6. The cumulative worksheet, the individual taxing units 24Fs and the 24Fs, Control, should be posted by report date from the Bureau of Motor Vehicles printout. This is not necessarily by the week or the month as was done in the past. Since two reports are supposed to be issued each week, these forms should be posted twice a week.
7. You will be receiving a lottery credit check from the Auditor of State each month. This will more than likely not be for the full amount of the lottery credit that is reported by the BMV. This is just a situation that we must deal with due to the way the laws are written and the computation the Auditor of State must make. Therefore, we need to keep another worksheet apportioning the lottery credit check to the proper taxing units. Again, this example was done on a Lotus 123 spreadsheet but may be done by you in a way that fits your county situation. This form also is not prescribed nor does it need to be approved. Post the cumulative total from your accumulating worksheet to an apportionment worksheet using the report dates of the tax cut check. Multiply the gross lottery by the factor which will be given to you by the Auditor of State. This will compute the portion of the tax cut check that will go to that taxing unit. Subtract the tax cut distribution from the gross lottery which gives you the amount of undistributed lottery credit not included in the tax cut check. It will be important to keep track of this amount for later use. The total of the lottery distribution for all taxing units should equal the amount of the check. You will probably have to round the amount up or down to equal the check, so we recommend applying that to the largest taxing unit.
8. Post the apportioned lottery distribution by taxing units to the appropriate County Form 24F in the column Received From Lottery Proceeds.

9. Add and foot across the collections on the Form 24F which will be the amount of excise tax that you have available for distribution either through an advance draw or the semiannual distributions.
10. Post the total tax cut check to the County Form 24F, Control and again when all the postings are made to this form and Form 24F, the total of the individual taxing units Form 24Fs equal the balance on the Form 24F, Control.

Prior to such determination, the county assessor of each county shall, from copies of registration forms, cause information pertaining to legal residence of persons owning taxable vehicles to be verified from his records, to the extent such verification can be so made. He shall further identify and verify from his records the several taxing districts within which such persons reside. [IC 6-6-5-10]

County Form No. 24F, County Auditor's Record of Annual License Excise Tax, has been designed to account for the amounts received, the amounts distributed at each semiannual tax settlement and the balance of license excise tax on hand.

At the time of each semiannual tax settlement the county treasurer shall report such tax collections, together with the auto rental excise tax and aircraft license excise tax collections discussed in this section, on County Form No. 49TC, County Treasurer's Certificate of Tax Collections, and the total shown by the auditor's records shall be verified with the treasurer's certificate before distribution is made.

SECTION H - COUNTY MOTOR VEHICLE EXCISE SURTAX AND COUNTY WHEEL TAX

In accordance with the provisions of IC 6-3.5-4 and IC 6-3.5-5 the county council of each county may, by ordinance, impose a County Motor Vehicle Excise Surtax and a County Wheel Tax.

Collection Tax

Both the county motor vehicle excise surtax and the county wheel tax will be collected by the Bureau of Motor Vehicles and transmitted electronically to the county treasurer twice each week along with the auto license excise tax.

Upon receipt of the Bureau of Motor Vehicles, REGFUTOT Report, the county auditor shall issue a quietus to transfer the net amount of surtax and wheel tax from the county treasurer's collections of license excise tax to the "_____ County Surtax Fund" and to the "_____ County Wheel Tax Fund."

Allocation and Distribution of the Tax

Before the twentieth day of each month, the county auditor shall allocate the money deposited in both the County Surtax Fund and the County Wheel Tax Fund among the county and the cities and towns in the county.

The county auditor shall allocate the money to counties, cities and towns under IC 8-14-2-4(c)(1) through IC 8-14-2-4(c)(3) as follows:

- I. In counties having a population of more than 50,000, 60% of the monies shall be distributed on the basis of population of the city or town as a percentage of the total population of the county and 40% distributed on the basis of the ratio of city and town street mileage to county road mileage.

- II. In counties having a population of 50,000 or less, 20% of the monies shall be distributed on the basis of population of the city or town as a percentage of the total population of the county and 80% distributed on the basis of the ratio of city and town street mileage to county road mileage.
- III. For the purposes of allocating funds as provided in this section, towns which become incorporated as a town between the effective dates of decennial censuses shall be eligible for allocations upon the effectiveness of a corrected population count for the town under IC 1-1-3.5.

To allocate and distribute monies received the following steps should be taken when preparing a worksheet similar to the worksheet on page 9-29:

1. Enter receipts from each license branch for the month in the proper column.
2. Deduct any refunds from the preceding month on excise surtax or wheel tax only in the proper column.
3. Enter the "Net Amount for Allocation" on Line A. Then enter the appropriate percentages of the net figure on Lines B and C. See Items I and II for the percentages to be used. Add Lines B and C. Total should equal Net Amount for Allocation shown on Line A.
4. Enter the name, the population and the road mileage for each incorporated city and town in the county and the population and road mileage of the county outside all incorporated areas in the appropriate spaces.

(NOTE: The official population and road mileage figures for each unit may be obtained by writing to the Settlement Clerk, Auditor of State, Room 240 State House, Indianapolis, Indiana, 46204.)

5. Divide the population of each unit by the total population of the county to obtain the percentage of the total. (It is recommended that the decimal fraction (percentage) be carried out to at least six (6) places to insure fair and equitable distribution of the monies.)
6. Divide the road mileage of each unit by the total road mileage of the county to obtain the percentage of the total. This should be done in the same manner as the population percentages were figured in Item 5 above.

(NOTE: Percentages of the total population and road mileage will only have to be refigured when there is a change in one or the other.)

7. Multiply percentage of total population for each unit times the applicable percentage of the net amount for allocation shown on Line B for both vehicle excise surtax and county wheel tax.
8. Multiply the percentage of total road mileage for each unit times the applicable percentage of the net amount for allocation shown on Line C for both vehicle excise surtax and county wheel tax.

9. Add the amounts of vehicle excise surtax computed on the basis of population and on the basis of road mileage to obtain the total vehicle excise surtax due each taxing unit. Repeat this same procedure for county wheel tax.

(NOTE: Once the population and mileage factors are obtained they may be used each month until either the mileage or population changes. Therefore, you may wish to include the actual factors in a separate place on the worksheet for easy reference. New highway mileage certifications are done in April and take effect with the May state highway distributions.)

Miscellaneous Provisions

The distributions of surtax and wheel tax to the county should be receipted to the County Highway Fund and cities and towns should receipt the distributions to the Motor Vehicle Highway Fund (Street Fund), since a county, city or town may only use the surtax and wheel tax revenues it receives to construct, reconstruct, repair or maintain streets and roads under their jurisdiction.

Refunds

Refunds of overpaid or erroneously paid county motor vehicle excise surtax and county wheel tax should be paid from the County General Fund. Such refunds can be made without an appropriation having been made for that specific purpose. However, great care should be taken to insure that the amounts so refunded are recorded in the non-budgeted expenditures and are easily distinguishable so that they can be properly deducted from the surtax and wheel tax (see Step 2 of worksheet instructions) and returned to the County General Fund.

NOTE: PAGE 9-29 IS RESERVED FOR A FORM WHICH CAN
BE FOUND IN LOTUS FILE, AUDTFRMS.

Aircraft License Excise Tax

Pursuant to IC 6-6-6.5 all taxable aircraft, except aircraft owned by a dealer and aircraft owned and operated by an air carrier certified under the Federal Air Regulations, shall be registered by the owner with the Aeronautics Commission and an annual excise tax shall be paid in lieu of the ad valorem property tax.

The aircraft license excise tax will be collected by the Indiana Department of Revenue and remitted to the counties quarterly. The distribution shall be made on or before the fifteenth of the month following each quarter and the first distribution each year shall be made in April. In remitting the tax the Department of Revenue will submit an "Aircraft Excise Tax Report" to each county treasurer and county auditor. The state warrant remitting the tax will be mailed to the county treasurer along with the report. The report will show the taxing district in which the aircraft is usually located.

Upon receipt of the warrant from the Auditor of State, the county treasurer shall issue an Excise Tax Receipt, County Form No. 18E, and shall post the receipt to the Treasurer's Daily Balance of Cash and Depositories, in the section "Other Sources" to an account titled "Aircraft Excise Tax Fund," to comply with the provisions of IC 6-6-6.5-21(c). The county treasurer shall also furnish a copy of the receipt to the county auditor.

The county auditor, upon receipt of the report, shall allocate the tax collected in the same manner as used to allocate vehicle license excise tax. The amount received shall be posted to the County Auditor's Record of Annual License Excise Tax, County Form No. 24F, and allocated on County Form No. 24-ET, in the same manner as vehicle license excise tax. In entering the collections on County Form No. 24-ET, one of the columns in that record shall be headed "Aircraft License Excise Tax" to record separately the amount received from that source. The vehicle license excise tax, auto rental excise tax and the aircraft license excise tax shall be combined into one total and apportioned and distributed as "License Excise Tax" in making settlement, and should be so reported by the county treasurer on the County Treasurer's Certificate of Tax Collections, County Form No. 49TC.

Auto Rental Excise Tax

An excise tax, known as the auto rental excise tax, is imposed upon the rental of passenger motor vehicles and trucks in Indiana for periods of less than thirty (30) days. The tax is four percent (4%) of the gross retail income received by retail merchants for the rentals.

The auto rental excise tax will be collected by the Department of Revenue in the same manner that gross retail tax is collected. On or before May 20 and November 20 of each year, all amounts held by the state in the auto rental excise tax account shall be distributed to the county treasurers of Indiana.

The amount to be distributed to a county treasurer equals that part of the total auto rental excise taxes being distributed that were initially imposed and collected from within that treasurer's county. The Department of Revenue shall notify each county auditor of the amount of taxes to be distributed to the county treasurer. At the same time each distribution is made to a county treasurer, the Department of Revenue shall certify to the county auditor each taxing district within the county where auto rental excise taxes were collected and the amount of the county distribution that was collected with respect to each taxing district.

The county auditor, upon receipt of a copy of the certification report from the Department of Revenue, shall allocate the tax collected in the same manner as used to allocate vehicle license excise tax. The amount received shall be posted to the County Auditor's Record of Annual License Excise Tax, County Form No. 24F, and shall be allocated on County Auditor's Allocation of License Excise Tax, County Form No. 24ET. One of the columns in the latter record headed "Branch No." shall be changed to read "Auto Rental Excise Tax" to record separately the amount received from that source. The vehicle license excise tax, aircraft license excise tax, and auto rental excise tax shall be combined into one total and apportioned and distributed as "License Excise Tax" in making settlement.

SECTION I - BOAT EXCISE TAX

The provisions of IC 6-6-11-1 impose an annual excise tax on boats. Boats are defined to include any device in which a person may be transported upon water. This includes every motorboat, sailboat, pontoon boat, rowboat, skiff, dinghy, or canoe, regardless of size.

A boat may not be operated, used, docked or stored in a county unless the boat excise tax, the Department of Natural Resources fee, and the lake and river enhancement fee for that boat have been paid for that boating year, and a valid boat excise tax decal is affixed to the boat.

The following boats are exempt from the boat excise tax:

1. Boats owned by the United States, the state, or one of its political subdivisions.
2. Boats owned by an organization exempt from federal income taxation under 501(C)(3) of the Internal Revenue Code.
3. A human powered vessel, as determined by the Department of Natural Resources.
4. Boats held by a boat manufacturers, distributor or dealer for sale in the ordinary course of business and subject to assessment under IC 6-1.1.
5. Boats used for the production of income and subject to assessment under IC 6-1.1.
6. Boats stored in Indiana for less than twenty-two consecutive days and not operated, used, or docked in Indiana.
7. Boats registered outside Indiana and operated, used, or docked in Indiana for a combined total of less than twenty-two consecutive days during the boating year.
8. Boats subject to the commercial vessel tonnage tax.

The amount of the tax due on each boat is based on the boat's class and age. IC 6-6-11-10 sets out fourteen classifications for boats based on the value of the boat when it was new and IC 6-6-11-11 provides for reductions based on the age of the boat. The tax is paid to the Bureau of Motor Vehicles and license branches may be used for the collection of the tax.

Before the eleventh day of the month following the month in which the collections are made, the Bureau of Motor Vehicles shall report the excise taxes collected to the county treasurer. The Bureau shall also forward a copy of the excise tax report to the county auditor.

Upon receipt of the report and copies of the registration certificates, the county auditor shall determine the total amount of boat excise taxes collected for each taxing district in the county. The amount so collected shall be apportioned and distributed among the respective funds of each taxing district in the manner and at the same time as property taxes are apportioned and distributed. Such determination shall be made from copies of boat registration forms furnished by the Bureau of Motor Vehicles.

Collections received should be recorded in a separate section of County Form Nos. 24F, County Auditor's Record of Annual License Excise Tax, and 24-ET, County Auditor's Allocation of License Excise Tax, in the same manner as vehicle license excise tax is recorded.

At the time of each semiannual tax settlement the county treasurer shall report such tax collections on County Form No. 49BC, Report of Boat Excise Tax Received, and the total shown by the auditor's records shall be verified with the treasurer's certificate before distribution is made.

If a boat owner sells his (her) boat they are entitled to a credit of the remainder of the tax in accordance with the formula outlined in IC 6-6-11-17. However, no refund can be made on a credit issued because of the sale of a boat.

Tax Refunds

Every owner of a boat that is destroyed in a year in which the owner paid the tax imposed by this chapter and is not replaced by a replacement boat for which a credit is issued under this chapter, is entitled to a refund in an amount equal to ten percent (10%) of the excise tax paid for each full calendar month remaining in the registrant's tax payment year after the date of destruction.

To receive a refund, a boat owner must present and return to the Bureau of Motor Vehicles the following:

1. A request for refund on a form furnished by the bureau.
2. A statement of proof of destruction on an affidavit furnished by the bureau.
3. The tax payment form for the boat.

A refund under this section may not exceed ninety percent (90%) of the tax paid on the destroyed boat. The amount shall be refunded by a warrant issued by the auditor of the county that received the excise tax revenue and shall be handled in the same manner as property tax refunds are handled.

SECTION J - FINANCIAL INSTITUTIONS' TAX

The provisions IC 6-5.5-2 include the procedure for imposing and collecting taxes on banks and savings and loan associations. These financial institutions will pay a financial institutions' tax to the Indiana Department of Revenue. Taxes collected will be receipted to a financial institutions' tax fund by the Auditor of State.

IC 6-5.5-8-2 contains a formula for determining the amount of tax to be distributed to each taxing unit. This section provides for a guaranteed distribution and a supplemental distribution to each taxing unit.

On or before February 1, May 1, August 1 and December 1 of each year the Auditor of State shall transfer to each county auditor for distribution to the taxing units (as defined in IC 6-1.1-1-21) in the county, an amount equal to one-fourth (1/4) of the sum of the guaranteed amounts for all the taxing units of the county. On or before August 1 of each year the auditor of state shall transfer to each county auditor the supplemental distribution for the county for the year.

The county auditor shall distribute to each taxing unit the taxing unit's guaranteed and supplemental distributions at the same time that the county auditor makes the semiannual distribution of real property taxes to the taxing units.

SECTION K - STATE PROPERTY TAX REPLACEMENT CREDIT

Each year the taxpayers of each county shall receive a credit for property tax replacement. The credit shall be applied to each installment of taxes. The dollar amount of the credit for each taxpayer shall be determined by the county auditor, based on data furnished by the State Board of Tax Commissioners. The "tax liability" of a taxpayer for the purpose of computing the credit for a particular year shall be based upon the taxpayer's tax liability as is evidenced by the tax duplicate for the taxes payable in that year, plus the amount by which the tax payable by the taxpayer had been reduced due to the application of county adjusted gross income tax revenues to the extent the county adjusted gross income tax revenues were included in the determination of the total county tax levy for that year. [IC 6-1.1-21-5] This credit should in no way be confused with the property tax replacement credit derived from the local option tax discussed on pages 8-6 and 8-11 of this manual.

State distributions to counties from the property tax replacement fund are based on the amounts as shown on the March abstract. 16.70% of the amount is required to be distributed in each of the months of March, April, September and October and 16.60% in each of the months of May and November.

When received by the county treasurer, tax receipts shall be issued for each taxing district to which the credit is due, equal to the total received, and such receipts shall be accounted for in the Treasurer's Register of Taxes Collected and Daily Balance Records, in the same manner as other taxes.

At each semiannual settlement the amounts credited to each taxing district shall be reported by the treasurer on County Form No. 49TC, County Treasurer's Certificate of Tax Collections, and will be accounted for, apportioned and distributed, in the manner described in Section L.

SECTION L - ADVANCE TAX DRAWS

The provisions of IC 5-13-6-3 require the county treasurer to make advance draws of taxes collected to the proper officers of any municipal corporation of the county not to exceed 95% of the total collected at the time of the advance. The term "taxes collected" includes property tax, license excise tax, auto rental excise tax, and boat excise tax.

Upon receipt of a written request for an advance draw the following procedure should be followed:

1. The collections for each taxing district within the municipal corporation, as shown by the records of the county treasurer, should be multiplied by 95%.
2. Divide the answer under (1) by the total tax rate for the taxing district to obtain the factor to be used in apportioning the tax.
3. Multiply the factor by the tax rate for the fund for which the advance draw is requested, to arrive at the maximum amount which can be advanced.
4. Issue an application to pay and quietus in favor of the county treasurer for the amount to be advanced to the credit of the fund for which advanced and issue a warrant therefor in favor of the proper officer of the municipal corporation.

SECTION M - SETTLEMENTS WITH TREASURER - APPORTIONMENT AND DISTRIBUTION OF TAXES

By the provisions of IC 6-1.1-27-1 and 6-1.1-27-2 the county auditor and the county treasurer, on or before June 20th and December 20th of each year, shall meet to make settlement of taxes and special assessments collected during the preceding six months periods ending May 10 and November 10 respectively, and at that time the treasurer shall also make settlement of any other collections required by law to be paid to the county treasurer. These sections are then followed by provisions in IC 6-1.1-27-3 that on or before June 30th and December 31st of each year the auditor shall send a copy of the certificate of settlement (Settlement Sheet) to the Auditor of State and pay to the Treasurer of State the money due the state as shown by the certificate of settlement.

To meet the deadlines fixed in the laws cited, there must be complete cooperation between the offices of the auditor and the treasurer. A delay in the delivery of the tax duplicate by the auditor to the treasurer and subsequent mailing of the statements by the treasurer will, of course, materially delay the collection process and closing of the treasurer's books. Conversely, delays will result by failure of the treasurer to expedite the collection process and to close and balance the books promptly at the close of each taxpaying period, so that the tax duplicate may be returned to the auditor for audit and settlement.

Some of the steps which can be taken by the auditor to expedite the process are:

1. Prepare the tax duplicate well in advance of receiving the final tax levies and rates, so the only steps required for completion will be to compute and enter the current taxes, bring forward delinquencies and total and balance the duplicate, for delivery to the treasurer.
2. In advance of receiving the duplicate and making settlement, prepare apportionment sheets and assemble all workpapers which will be needed.
3. In the December settlement, when the duplicate must be extended and balanced for the two settlement periods, extend the duplicate only to column 27 headed "Total Delinquency at November Settlement." The after settlement penalties and amounts to be carried to the new duplicate, columns 28 through 31, can be completed after the December settlement has been made.
4. Request the treasurer to turn over the duplicate after each taxing district is completed rather than after all districts are completed so that the work may begin in auditing and balancing the duplicate.

The various tax accounting systems in use will alter steps which might be taken in preparing and completing the duplicate but, as stated, careful planning and cooperation are most important and auditors and treasurers should be constantly alert to procedures which will expedite the collection and settlement process.

The procedures to be observed in accounting for and making settlement and distribution of collections are covered in the sections that follow.

Treasurer's Certificate of Tax Collections

Pursuant to the provisions of IC 6-1.1-27-2 the county treasurer at each semiannual settlement is required to certify to the county auditor on the form prescribed by the State Board of Accounts the correctness of:

1. The credits for cash collected for each taxing unit (district) appearing on the tax duplicate; and
2. Any other amounts collected by the county treasurer as required by law.

The State Board of Accounts has prescribed County Form No. 49TC, County Treasurer's Certificate of Tax Collections, for use of county treasurers in complying with the provisions of this law. Complete instructions in the use of this form will be found on the form and in the illustrated entries in Exhibit 18, page 9-41.

June Settlement

After the county treasurer has completed posting collections in the duplicate and has reconciled the collections with the treasurer's register of taxes collected and the daily balance of cash and depositories record, which records reflect the collections by taxing district, the duplicate should be immediately submitted to the auditor. As previously stated, this should be done after the treasurer completes each taxing district.

In the event differences exist in the treasurer's records which the treasurer feels cannot be identified until all taxing districts are completed and the county treasurer's certificate of tax collections is completed and filed, this should not preclude a taxing district being turned over to the auditor for audit which might well assist in locating the differences. However, the apportionment and distribution of taxes should not be made until the treasurer is in agreement with the settlement figures.

Upon receipt of the duplicate, the collections shall be added by the auditor and the totals verified with the totals shown on the County Treasurer's Certificate of Tax Collections, County Form No. 49TC. If differences exist, they should be discussed with the treasurer, any errors located and corrected, and the collections reconciled with the treasurer's records, before settlement and distribution is made.

If errors cannot be found and it will delay the June settlement beyond the June 30th deadline, and the differences involved are minimal, settlement can be made on the basis of the county treasurer's certificate of collections, since the differences will be taken into consideration and adjusted in the December settlement. However, every effort should be made to locate such differences before the June settlement and, if not located at that time, they must be located before the December settlement is made.

The amounts collected in the June settlement, for each taxing district, as shown on the county treasurer's certificate of tax collections and verified, will be entered in Section A of County Form No. 102, Apportionment of Taxes Collected, and distributed in Section B of that form. The totals for all taxing districts in the county will likewise be entered in Sections A and B of the June settlement sheet and Section C of the settlement sheet shall be completed showing amounts due the state.

A copy of the apportionment sheet is illustrated in Exhibit 19, page 9-43. Instructions in completing the settlement and making distribution of taxes collected, which are applicable to both settlements, are discussed in this Section under "December Settlement."

In the June settlement and before the duplicate is returned to the treasurer, it is the further duty of the auditor to enter the 10% penalty on May installment delinquencies and the 10% penalty on prior years taxes which are delinquent. Such penalties should also be added and their correctness proved before returning the duplicate to the treasurer.

December Settlement

Proof of Tax Duplicate - After the treasurer has completed posting the collections in the tax duplicate and has reconciled the collections with other records in that office, the duplicate must be submitted to the auditor. The instructions with respect to the duplicate being returned for audit in the "June Settlement" likewise apply to the December settlement.

Upon receipt of the duplicate, the auditor shall extend the unpaid taxes into columns 21 through 27, add all columns in which figures are entered, and prove the correctness of the charges, credits and taxes and penalties returned unpaid. The proof is obtained by adding columns 13, 14, 17 and 18 (charges), deducting therefrom columns 15, 16, 19 and 20 (credits) and the results should agree with column 27; also, the total of columns 22 through 26 should agree with column 27. The totals should be entered on each page of the duplicate, grand totals entered at the close of the duplicate for each taxing district, and separate totals entered for: (1) Regular Duplicate (as reported on December Abstract); (2) Additional Assessments; (3) Mobile Homes; and (4) Delinquent Tax Judgments Collected. The totals should then be summarized at the end of the tax duplicate for each taxing district, in the manner illustrated in Exhibit 17, pages 9-39 and 9-40, for proof of the "grand totals" and for use in arriving at the amounts to be entered on lines 1 through 34, Section A-1, of the Apportionment Sheet, Form No. 102. The collections, as shown in the summary, must also be verified with the county treasurer's certificate of tax collections before proceeding further.

In some counties it is the practice to compile the charges, credits and collections for all taxing districts in a manner similar to the foregoing, for use in preparing the December Settlement Sheet, through the use of tax duplicate sheets or the use of columnar sheets. However, by entering the summary in the duplicate for each taxing district the totals are preserved and the grand totals for the settlement sheet can be obtained by simply adding each line in each column of the apportionment sheets. Either method of obtaining the totals for the settlement sheet is acceptable.

Apportionment Sheets - After the tax duplicate extensions have been proved and collections verified, lines 1 through 34, Section A-1, of the apportionment sheet for each taxing district should be completed from the summary totals of the tax duplicate; the amount settled for in the June settlement, line 2, Section A, shall be entered on line 35, with the amount to be apportioned in the December settlement to be entered on line 36.

After completing lines 1 through 36, enter on line 38 any tax refunds made from the general fund of the county since the previous December settlement and chargeable to the taxing district. A worksheet should be prepared for use in arriving at the amounts to be charged to each district and it is required that County Form No. 17TC, Certificate of Tax Refund Claims, accompany the December settlement sheet filed with the Auditor of State for credits taken on line 38. Any other deductions before apportionment shall be entered on line 39, the total deductions entered on line 40, and line 41 will show the "Net Total Property Tax for Apportionment."

The total license excise taxes collected in such taxing district, after verification of the correctness of the taxes collected, shall be entered on line 42 and the total of all taxes to be apportioned shall be entered on line 46.

The local property tax and license excise tax, as shown in Section A-1, lines 41 and 43, shall be apportioned in Section B, in the following manner:

1. Divide the total amount to be apportioned by the total tax rate for the taxing district, to obtain a percentage factor. (Equal in dollars to the amount a \$1.00 tax levy produces.)
2. Multiply the percentage factor by the tax rate for each fund to obtain the amount due each fund.
3. Total the amounts apportioned to each fund to see that such total equals the collection shown in Section A. Where fractions of cents results in a few cents difference, add or deduct such difference from the amount apportioned to the county general fund.

A copy of Form No. 102, Apportionment of Taxes Collected, is illustrated in Exhibit 19, pages 9-43.

Settlement Sheet

The Settlement Sheet, State Form No. 105 (Sections A and B), is a compilation, or summary, of the apportionment sheets for all taxing districts. The line numbers and descriptions on each line are also identical to the Apportionment Sheets, County Form No. 102.

Many county auditors find it helpful to prepare a recapitulation of the apportionment sheets on a multi-column columnar sheet to obtain the totals to be entered on each line of the settlement sheet. However, such totals may be obtained by simply adding the amounts on each line in each column of all apportionment sheets, if desired.

Section C of the settlement sheet is a statement to be completed showing amounts to be remitted to the Treasurer of State at each semiannual settlement. The State Fair Board tax and the State Forestry Fund tax must equal the total of the three (3) columns in Section B, lines 1 and 2 respectively. The amounts to be reported for the other accounts should be equal to the balance on hand in each such fund account, as shown by the auditor's and treasurer's ledgers. Enter on line 14 the total amount due the state for which a warrant will be issued to the Treasurer of State.

The settlement sheet shall also be accompanied by State Form No. 105A, Report of Settlement of State Property Tax Replacement and Homestead Credit, a copy of which is illustrated in Exhibit 20, page 9-44.

When the settlement sheet is completed you should carefully observe the "INSTRUCTIONS" in the lower right corner, listing the reports and number of copies of Report Form No. 105A which must accompany the settlement sheet filed with the auditor. Be sure to add and prove the settlement sheet and reports, retain one copy of each for your files, and furnish a copy of the settlement sheet to the county treasurer.

Settlement by Treasurer and Quietus - After approval of the settlement sheet by the Auditor of State, the amounts of taxes to be settled by the treasurer, less any advances made for which quietuses have been issued, shall be receipted into the fund ledger accounts of the auditor and treasurer by application to pay and quietus.

To provide a posting media for the ledger accounts of the auditor and treasurer and to further insure the correctness of the settlement figures and subsequent distribution of taxes collected, it is recommended that a worksheet be prepared in duplicate in the form illustrated in Exhibit 21, page 9-45.

Issue a single quietus for the total settlement and firmly attach the worksheet to the register of receipts (quietus) and furnish a copy thereof to the treasurer.

Distribution of Taxes - The amounts to be distributed to the State of Indiana and to the various county funds will be equal to the amounts shown on the settlement sheet, less any amounts which may have been advanced. In the case of other local governmental units, however, where two or more taxing districts are located within a governmental unit, it is suggested that worksheets be prepared for use in compiling the amounts to be distributed to each such governmental unit.

Such worksheets are usually referred to as "Unit Distribution Sheets." There are many ways of preparing the worksheets and any method used to arrive at the final result is acceptable. However, for the purpose of these instructions, the use of a standard columnar pad of sufficient columns is suggested. An illustration of a unit distribution sheet for a school corporation composed of a civil town and two townships is as follows:

ROCKVILLE COMMUNITY SCHOOL CORPORATION

	General	Debt Service	Cumulative Building	Transportation	Total
General Property Tax:					
Town of Rockville	\$ 80,000.00	\$ 40,000.00	\$ 40,000.00	\$ 20,000.00	\$ 180,000.00
Adams Township	40,000.00	20,000.00	20,000.00	10,000.00	90,000.00
Union Township	<u>60,000.00</u>	<u>30,000.00</u>	<u>30,000.00</u>	<u>15,000.00</u>	<u>135,000.00</u>
Total General Property Tax	<u>180,000.00</u>	<u>90,000.00</u>	<u>90,000.00</u>	<u>45,000.00</u>	<u>405,000.00</u>
License Excise Tax:					
Town of Rockville	10,000.00	5,000.00	5,000.00	2,500.00	22,500.00
Adams Township	5,000.00	2,500.00	2,500.00	1,250.00	11,250.00
Union Township	<u>8,000.00</u>	<u>4,000.00</u>	<u>4,000.00</u>	<u>2,000.00</u>	<u>18,000.00</u>
Total License Excise Tax	<u>23,000.00</u>	<u>11,500.00</u>	<u>11,500.00</u>	<u>5,750.00</u>	<u>51,750.00</u>
Total Distribution	203,000.00	101,500.00	101,500.00	50,750.00	456,750.00
Less Advance Draws	<u>100,000.00</u>	<u>50,000.00</u>	--	<u>30,000.00</u>	<u>180,000.00</u>
Net Distribution	<u>\$ 103,000.00</u>	<u>\$ 51,500.00</u>	<u>\$ 101,500.00</u>	<u>\$ 20,750.00</u>	<u>\$ 276,750.00</u>

After the unit distribution sheets are compiled, County Form No. 22, County Auditor's Certificate of Tax Distribution, shall be prepared for each local governmental unit to which a distribution is due and for which a warrant will be issued. The figures for each fund and from each source (property taxes; bank and building and loan taxes; and license excise taxes) will be obtained from the unit distribution sheets or, in the case of governmental units located in a single taxing district, the figures will be obtained from the apportionment sheet of such taxing district. County Form No. 22 may be completed for state funds, which are covered by the settlement sheet, and for county funds retained in the county treasury, at the discretion of the county auditor.

Each column of County Form No. 22, if applicable, shall be completed to show the taxes distributed, amounts advanced, the amount due the county for examination of records and the net distribution for which a warrant is to be issued. The amount chargeable to each local governmental unit for examination of records is obtainable from the voucher submitted by the State Board of Accounts and, except for the cost of examining county offices and departments, the amounts should be deducted from the distributions and reimbursed to the county at the next semiannual settlement. The manner in which examination of records should be handled is detailed in Exhibit 21, page 9-45.

After all certificates of distribution have been completed be sure to add the amounts entered thereon, the totals of which can be proved to the worksheet prepared in support of the quietus issued (See Exhibit 21, page 9-45) and warrants may then be issued to each such governmental unit.

Issuance and Posting of Warrants - Before warrants are issued, the county treasurer should be consulted as to the bank or banks on which each warrant should be drawn, in order that the treasurer may comply with the depository law. If two or more warrants must be issued, covering the distribution to a single governmental unit, this may be done. In such instances, both warrant numbers will appear on the certificate and be referred to in posting the funds ledger.

In posting warrants to the funds ledger, it will be necessary to refer to the distribution certificates, Form No. 22, to determine the amounts to be posted to each fund. The amounts to be posted to each fund, in the case of the state warrant, will be taken from the settlement sheet unless listed on the warrant or unless a Form No. 22 was completed for state funds.

NOTE: PAGES 9-39 THROUGH 9-46 ARE RESERVED FOR FORMS WHICH CAN
BE FOUND IN LOTUS FILE, AUDTFRMS.

SECTION N - SETTLEMENT OF OTHER COLLECTIONS BY TREASURER

At the time of making the semiannual settlement of taxes the treasurer shall also account for and settle the following collections which do not appear on the settlement sheet:

1. Excess (Surplus) Tax.
2. Demand Fees.
3. Tax Sale Costs.
4. Delinquent Dog Tax.
5. Conservancy District - Special Benefits Tax.
6. Conservancy District - Exceptional Benefits Assessments.
7. Drainage Assessments.
8. Delinquent Sewer Charges.
9. Delinquent Barrett Law Assessments.
10. Other Special Assessments Collected. (See Chapter 10)

A separate quietus should be issued for each of the foregoing items and the further instructions herein should be observed.

Excess (Surplus) Tax

Excess (surplus) tax shall be reported by the treasurer on the County Treasurer's Certificate of Tax Collections, County Form No. 49TC. The county treasurer is also required to file Ledger Form No. 65-STF, Surplus Tax Fund Ledger, listing in detail by taxing district each item of surplus tax collected, the total of which shall be receipted into the "Surplus Tax Fund." The detail ledger sheets shall be placed in the county auditor's ledger and be disbursed in the manner discussed on page 7-8.

If an excess payment is not claimed within the three (3) year period after the first Monday in November of the year in which the payment was made, the county auditor shall transfer the excess from the surplus tax fund to the general fund of the county. [IC 6-1.1-26-6(c)]

Demand Fees and Tax Sale Costs

Demand fees and tax sale costs collected by the county treasurer will be reported on the County Treasurer's Certificate of Tax Collections, County Form No. 49TC, and shall be receipted into the county general fund.

Delinquent Dog Tax

Collections of delinquent dog tax are reported by the county treasurer on the County Treasurer's Certificate of Tax Collections, County Form No. 49TC, and the amount reported and settled by the treasurer should be verified by the auditor from the collections shown on the tax duplicate. The collections shall be receipted into a separate fund titled "Delinquent Dog Tax" and, upon receipt, a warrant shall be issued to the township trustee of each township for which the collections were made. This matter is further discussed on page 10-5.

Conservancy District

Conservancy district collections shall be reported and accounted for separately for "Special Benefits Tax" and "Exceptional Benefits Assessments."

Prior to settlement by the treasurer the county auditor should audit the conservancy district tax duplicate, in the same manner as the property tax duplicate, and should verify the correctness of the special benefits tax collections reported by the treasurer. The auditor should also verify collections entered in the "Exceptional Benefits Assessments Duplicate," if the district imposes assessments for exceptional benefits.

At the time of filing the abstract of property valuations and taxes with the Auditor of State the county auditor is required to complete Section 5A titled "Abstract of Conservancy District Tax Duplicate" listing for each district the special benefits tax levied on property within the district, and the collections, penalties added, and taxes and penalties returned unpaid should be reconciled with the abstract, in the same manner as the property tax duplicate.

The special benefits tax levied on property within a conservancy district and the exceptional benefits assessments which may be established by a district, and the accounting requirements related thereto, are discussed on pages 10-1 through 10-3.

Upon settlement of collections by the county treasurer a warrant should be issued to the treasurer of each conservancy district showing separately thereon the total amount collected from the special benefits tax and the total amount collected from the exceptional benefits assessments, so that such collections may be properly accounted for in the records of the conservancy district.

Drainage Assessments

The county treasurer is required to report drainage collections on County Form No. 49DC, County Treasurer's Certificate of Collections of Drainage Assessments, prescribed by the State Board of Accounts. The collections should be reported for each drain and shall show in the columns provided on the form the amount of "principal" collected and the amount of "interest and penalty" collected for each fund to which the collections are to be receipted.

The county auditor should audit and extend the Ditch Duplicate for Maintenance Assessments, County Form No. 63M, in the same manner as the property tax duplicate, to verify the correctness of collections on maintenance assessments and should also audit the Ditch Tax Duplicate, County Form No. 63, to verify collections.

The amounts settled by the treasurer shall be receipted into the respective funds shown on the treasurer's certificate of collections and shall be posted to the subsidiary ledger account of each affected drain, in accordance with the instructions set out in the "Accounting Manual for Public Drainage Funds" issued by the State Board of Accounts. Further instructions pertaining to the accounting requirements are set out in that manual.

Delinquent Sewer Charges

Collections of delinquent sewer charges should be reported on the County Treasurer's Certificate of Tax Collections, County Form No. 49TC, and such collections should be verified by the county auditor from an audit of the tax duplicate. The manner in which such charges and collections should be accounted for is set out on pages 10-4 and 10-5.

When collections are remitted to each city or town, it should be accompanied with a list showing the name, description of the real property and amount collected from each owner, in order that the proper officer of the city or town may credit the account of each such owner and release the lien recorded in the county recorder's office.

Delinquent Barrett Law Assessments

Collections of delinquent Barrett Law assessments should be reported and accounted for in the same manner as delinquent sewer charges, with the collections to be receipted into a "Delinquent Barrett Law Assessments" fund and remitted to the city or town for which collected. The assessments are further discussed on page 10-4.

Other Special Assessments

Any other special assessments, placed on the tax duplicate for collection, including line fence assessments, shall also be settled for by the county treasurer at each semiannual settlement. Line fence assessments are discussed on page 10-4 and weed cutting assessments and other special assessments on page 10-5.

SECTION O - AFTER SETTLEMENT DELINQUENCIES

Immediately after the December settlement has been made, or prior thereto if time will permit, the auditor shall enter in columns 28 and 29 of the tax duplicate, 10% penalty on the November installment of taxes returned delinquent and 10% penalty on prior years' taxes returned delinquent.

After the penalties have been entered in the duplicate the "Total Delinquent Tax" shall be entered in column 30 and the "Total Penalties and Interest" shall be entered in column 31. These two columns, as well as columns 28 and 29, should be added and the total of each column proved to the respective columns of tax, penalties and interest, as indicated on the duplicate. The correctness of the penalty computations should also be verified by multiplying the total November installment of tax returned delinquent (column 21) by 10% and the total prior years' delinquent tax unpaid (column 25) by 10%. While there will be a slight variation between the total of the penalties added and the computations for each column, this proof will help insure the correctness of the computations of the penalties.

Immediately after completing the tax duplicate the delinquencies shown in column 30 and 31 shall be carried forward to the new tax duplicate and be entered in columns 11 and 12 respectively. The abstract filed with the Auditor of State provides for reconciling delinquencies carried forward to the amounts returned delinquent in the December settlement and, therefore, care must be taken to insure there is no difference between the tax, penalties and interest reported in columns 30 and 31 and the amounts carried forward to the new duplicate in columns 11 and 12.

SECTION P - TAX REFUND CLAIMS

A person, or his heirs, personal representative, or successors, may file a claim for refund of all or a portion of a tax installment which he has paid. The claim must be filed with the auditor of the county in which the taxes were originally paid, within three (3) years after the taxes are first due, on County Form No. 17T, Claim for Refund of Taxes, prescribed by the State Board of Accounts.

The claim shall be based upon one of the following grounds: (1) taxes on the same property have been assessed more than once for the same year; (2) the taxes, as a matter of law, were illegal; or (3) there was a mathematical error either in the computations of the assessment upon which the taxes were based or in the computation of the taxes. [IC 6-1.1-26-1]

If the claim is for refund of taxes paid on an assessment made or determined by the State Board of Tax Commissioners and the claim is based upon the grounds provided in items (2) and (3) of the above cited statute [IC 6-1.1-26-1], the county auditor shall forward the claim to the State Board of Tax Commissioners for approval or disapproval. [IC 6-1.1-26-2]

A refund claim which is not subject to review by the State Board of Tax Commissioners under IC 6-1.1-26-2 shall be either approved or disapproved by the county auditor, the county treasurer, and the county assessor. If the claim for refund is disapproved by either the county auditor, the county treasurer, or the county assessor, the claimant may appeal that decision to the State Board of Tax Commissioners. The claimant must initiate the appeal and the state board shall hear the appeal in the same manner as assessment appeals are initiated and heard. [IC 6-1.1-26-3]

The county auditor shall submit a refund claim to the board of county commissioners for final review after the State Board of Tax Commissioners either approves or disapproves the claim or, if state board action is not required, after the appropriate county officials either approve or disapprove the claim. The county board of commissioners shall disallow a refund claim if one of the appropriate county officials does not approve the claim or it is disapproved by the State Board of Tax Commissioners. The county board of commissioners may either allow or disallow a refund claim which is approved by the county auditor, the county treasurer and the county assessor or by the State Board of Tax Commissioners. When the county board of commissioners disallows a claim, the claimant may appeal that decision to the State Board of Tax Commissioners. [IC 6-1.1-26-4]

When a claim for refund is allowed either by the county board of commissioners, the state board of tax commissioners, or by the Indiana tax court on appeal, the claimant is entitled to a refund. The amount of the refund shall equal the amount of the claim so allowed plus interest at six percent (6%) from the date on which the taxes were paid or payable, whichever is later, to the date of refund. The county auditor shall, without an appropriation being required, issue a warrant to the claimant payable from the county general fund for the amount due the claimant. In the December settlement and apportionment of taxes immediately following a refund the county auditor shall deduct the amount refunded from the gross tax collections of the taxing units (districts) for which the refunded taxes were originally paid and shall pay the amount so deducted into the general fund of the county. [IC 6-1.1-26-5] A refund of taxes resulting from invalid tax sales is discussed in Section Q, page 9-67.

The foregoing does not apply to excess (surplus) tax refunds discussed on page 9-47, which are refunded from the surplus tax fund.

All tax refunds (except surplus tax), whether made under the provisions of the laws cited in this section or as a result of invalid tax sales, shall be made without appropriation. The amounts disbursed from this account shall, at each December settlement, be scheduled by taxing district, the amount for each taxing district deducted on line 38 of the apportionment sheet for such district, and the total deducted on line 38 of the settlement. The manner of handling tax refunds in the December settlement is discussed in Section M of this Chapter.

When a refund claim is for the full amount of taxes paid, the tax receipts, tax sale certificate or other documents supporting the payments should be surrendered by the claimant and be attached to the claim. If only a portion of the tax is refunded, this is not required; however, it is suggested a copy of the receipt be attached to the claim and when the refund is made, it is recommended the auditor enter on the taxpayer's copy a note of the date and amount claimed or refunded to preclude the possibility of a subsequent refund claim being filed for the same item.

SECTION Q - REAL ESTATE TAX SALES

On or before July 1 of each year, the county treasurer shall certify to the county auditor, a list of real property on which either any property taxes or special assessments certified to the county auditor for collection by the county treasurer from the prior years spring installment or before are delinquent as determined under IC 6-1.1-37-10 or any unpaid costs from a prior tax sale. [IC 6-1.1-24-1]

The county auditor shall maintain a list of all property eligible for sale. Unless the taxpayer pays to the county treasurer all the amounts listed in the preceding paragraph, the taxpayer shall remain on the list.

A tract or item of real property may not be removed from the list certified before the tax sale unless all delinquent taxes, special assessments, penalties due on the delinquency, interest, and costs directly attributable to the tax sale have been paid in full. A county treasurer may accept partial payments of delinquent property taxes, assessments, penalties, interest, or costs after the list of real property is certified.

The county auditor shall prepare a notice which shall contain:

1. A list of all tracts or real property eligible for sale.
2. A statement that the tracts or real property included in the list will be sold at public auction to the highest bidder.
3. A statement that the tracts or real property will not be sold for an amount which is less than the sum of:
 - a. The delinquent taxes and special assessments on each tract or item of real property.
 - b. The taxes and special assessments on each tract or item of real property that are due and payable in the year of the sale, whether or not they are delinquent.
 - c. All penalties which are due on the delinquencies.
 - d. An amount prescribed by the county auditor that equals the sum of:
 - i. Twenty-five dollars (\$25.00) for postage and publication costs;
 - ii. Any other actual costs incurred by the county that are directly attributable to the tax sale.
 - e. Any unpaid costs from a prior tax sale.
4. A statement that a person redeeming each tract, once sold, will have to pay an interest charge of 10% per annum on any taxes and special assessments paid by the purchaser on the redeemed property after the tax sale.

5. A statement, for information purposes only, of the location of each tract or item of real property by key number, if any, and street address, if any, or a common description of the property other than a legal description.

The township assessor, upon written request from the county auditor, shall provide the information to be in such notice. A misstatement of the key number or street address does not invalidate an otherwise valid sale.

6. A statement that the county auditor and treasurer will apply on or after a date designated in the notice for a court judgment against the tracts or real property for an amount that is not less than the amount set under three (3), and for an order to sell the tracts or real property at public auction to the highest bidder.

A statement that any defense to the application for judgment must be filed with the court before the date designated as the earliest date on which the application for judgment may be filed.

A statement that the court will set a date for hearing at least seven (7) days before the advertised date and that the court will determine any defenses to the application for judgment at the hearing.

7. A statement that the sale will be conducted at a place designated in the notice and the sale will continue until all tracts and real property have been offered for sale.
8. A statement that the sale will take place at the times and dates designated in the notice. The sale must take place on or after August 1 and before November 1 of each year.
9. A statement that a person redeeming each tract or item of real property after the sale must pay the costs described in IC 6-1.1-25-2(d).
10. If a county auditor and county treasurer have entered into an agreement under IC 6-1.1-25-4.7, a statement that the county auditor will perform the duties of the notification and title search under IC 6-1.1-25-4.5 and the notification and petition to the court for the tax deed under IC 6-1.1-25-4.6. [IC 6-1.1-24-2]

If within sixty (60) days before the date of the tax sale, the county incurs costs set under (3) and those costs are not paid, the county auditor shall enter the amount of costs that remain unpaid upon the tax duplicate of the property for which the costs were set. The county treasurer shall mail notice of unpaid costs entered upon a tax duplicate to the owner of the property identified in the tax duplicate.

The amount of unpaid costs entered upon a tax duplicate must be paid no later than the date upon which the next installment of real estate taxes for the property is due. Unpaid costs entered upon a tax duplicate are a lien against the property described in the tax duplicate, and amounts remaining unpaid on the date the next installment of real estate taxes is due may be collected in the same manner that delinquent property taxes are collected.

When real property is eligible for sale, the county auditor shall post a copy of the notice required by IC 6-1.1-24-2 and IC 6-1.1-24-2.2 at a public place of posting in the county courthouse at least twenty-one (21) days before the earliest date of application for judgment. In addition, the county auditor shall publish the notice required in IC 6-1.1-24-2 and IC 6-1.1-24-2.2 in the manner prescribed in IC 6-1.1-22-4(b) once each week for three (3) consecutive weeks before the earliest date on which the application for judgment may be made. The expenses of this publication shall be paid out of the county general fund without prior appropriation.

At least twenty-one (21) days before the application for judgment is made, the county auditor shall mail a copy of the notice required by IC 6-1.1-24-2 and IC 6-1.1-24-2.2 by certified mail to any mortgagee who annually requests a copy of the notice. However, the failure of the county auditor to mail this notice or its nondelivery does not affect the validity of the judgement and order.

The advertisement published under IC 6-1.1-24-4(b) is considered sufficient notice of the intended application for judgment and of the sale of real property under the order of the court. [IC 6-1.1-24-3]

Not less than twenty-one (21) days before the earliest date on which the application for judgment and order for sale of real property eligible for sale may be made, the county auditor shall send a notice of the sale by certified mail to the owner or owners of the real property at their last known address. The county auditor shall prepare the notice in the form prescribed by the State Board of Accounts. The notice must set forth the key number, if any, of the real property and a street address, if any, or other common description of the property other than a legal description. The notice must include the statement set forth in IC 6-1.1-24-2(a)(4). The county auditor must present proof of this mailing to the court along with the application for judgment and order for sale. Failure by an owner to receive or accept the notice does not affect the validity of the judgment and order.

On or before the day of sale, the county auditor shall list, on the tax sale record required by IC 6-1.1-25-8, all properties that will be offered for sale. [IC 6-1.1-24-4]

The county auditor shall also provide those agencies under IC 36-7-17, in that county, with a list of real property on which one (1) or more installments of taxes is delinquent by June 15 of the year following the date the delinquency occurred. [IC 6-1.1-24-4.5]

On the day on which the application for judgment and order for sale is made, the county treasurer shall report to the county auditor all of the tracts and real property listed in the notice required by IC 6-1.1-24-2 upon which all delinquent taxes and special assessments, all penalties due on the delinquencies, any unpaid cost due from a prior tax sale, and the amount due under IC 6-1.1-24-2(a)(3)(D) have been paid up to that time. The county auditor, assisted by the county treasurer, shall compare and correct the list, removing tracts and real property for which all delinquencies have been paid, and shall make and subscribe an affidavit in substantially the following form:

State of Indiana)
) ss:
County of _____)

I, _____, treasurer of the county of _____, and
I, _____, auditor of the county of _____, do solemnly affirm that the foregoing is a true and correct list of the real property within the county of _____ upon which have remained delinquent uncollected taxes, special assessments, penalties and costs, as required by law for the time periods set forth, to the best of my knowledge and belief.

County Treasurer

County Auditor

Dated _____

Application for judgment and order for sale shall be made as one (1) cause of action to any court of competent jurisdiction jointly by the county treasurer and county auditor. The application shall include the affidavit and corrected list as provided in IC 6-1.1-24-4.6(a).

Any defense to the application for judgment and order of sale shall be filed with the court on or before the earliest date on which the application may be made as set forth in the notice. [IC 6-1.1-24-4.6]

No later than fifteen (15) days before the advertised date of the tax sale, the court shall examine the list of tracts and real property as provided under IC 6-1.1-24-4.6.

No later than three (3) days before the advertised date of the tax sale, the court shall enter judgment for those taxes, special assessments, penalties and costs that appear to be due. This judgment is considered as a judgment against each tract or item of real property for each kind of tax, special assessments, penalty, or cost included in it. The affidavit provided under IC 6-1.1-24-4.6 is prima facie evidence of delinquency for purposes of proceedings under this section. The court shall also direct the clerk to prepare and enter an order for the sale of those tracts and real property against which judgment is entered.

Not later than seven (7) days before the advertised date of the tax sale, the court shall conduct a hearing. At the hearing, the court shall hear any defense offered by any person interested in any of the tracts or items of real property to the entry of judgment against them, hear and determine the matter in a summary manner, without pleadings, and enter its judgment. The court shall enter a judgment not later than three (3) days before the advertised date of the tax sale. The objection must be in writing, and no person may offer any defense unless the writing specifying the objection is accompanied by an original or duplicate tax receipt or other supporting documentation. At least seven (7) days before the date set for the hearing, notice of the date, time, and place of the hearing shall be provided by the court to any person filing a defense to the application for judgment and order of sale.

If judgment is entered in favor of the respondent under these proceedings, or if judgment is not entered for any particular tract, part of a tract, or items of real property because of an unresolved objection made under IC 6-1.1-24-4.7(b), the court shall remove those tracts, parts of tracts, or items of real property from the list of tracts and real property provided under IC 6-1.1-24-4.6.

A judgment and order for sale shall contain the final listing of affected properties and shall substantially follow this form:

"Whereas, notice has been given of the intended application for a judgment against these tracts and real property, and no sufficient defense has been made or cause has been shown why judgment should not be entered against these tracts for taxes, and real property special assessments, penalties, and costs due and unpaid on them, therefore, it is considered by the court that judgment is hereby entered against the below listed tracts and real property in favor of the state of Indiana for the amount of taxes, special assessments, penalties, and costs due severally on them; and it is ordered by the court that the several tracts or items of real property be sold as the law directs. Payments for taxes, special assessments, penalties, and costs made after this judgment but before the sale shall reduce the judgment accordingly."

The order of the court constitutes the list of tracts and real property that shall be offered for sale under IC 6-1.1-24-5. The court that enters judgment shall retain exclusive continuing supervisory jurisdiction over all matters and claims relating to the tax sale.

No error or informality in the proceedings of any of the officers connected with the assessment, levying, or collection of the taxes that does not affect the substantial justice of the tax itself shall invalidate or in any manner affect the tax or the assessment, levying, or collection of the tax.

Any irregularity, informality, omission, or defective act of one (1) or more officers connected with the assessment or levying of the taxes may be, in the discretion of the court, corrected, supplied, and made to conform to law by the court, or by the officer (in the presence of the court). [IC 6-1.1-24-4.7]

In the conduct of the tax sale the following shall be observed:

1. The sale shall be held at the times and place stated in the notice of sale, and not extend beyond October 31 of the year of the sale.
2. A tract or item of real property may not be sold for the purpose of collecting delinquent personal property taxes or for the purpose of collecting taxes or special assessments which are chargeable to other real property.
3. A tract or item of real property may not be sold under this chapter if all the delinquent taxes, penalties, and special assessments and tax sale costs incurred under IC 6-1.1-24-2(a)(3)(D) on the tract or item of real property are paid before the time of sale.
4. The county treasurer shall sell the tract or item of real property to the highest bidder at public auction. However, a tract or item of real property may not be sold for an amount which is less than the sum of:
 1. the delinquent taxes and special assessments on each tract or item of real property;
 2. the taxes and special assessments on each tract or item of real property that are due and payable in the year of sale, regardless of whether the taxes and special assessments are delinquent;
 3. all penalties which are due on the delinquencies;
 4. the amount prescribed by IC 6-1.1-24-2(a)(3)(D) reflecting the costs incurred by the county due to the sale.
 5. Any unpaid costs which are due under IC 6-1.1-24-2(b) from a prior tax sale; and
 6. other reasonable expenses of collection, including title search expenses, uniform commercial code expenses, and reasonable attorney's fees incurred by the date of the sale.

For the purposes of the sale, it is not necessary for the county treasurer to first attempt to collect the real property taxes or special assessments out of the personal property of the owner of the tract or real property.

The county auditor shall serve as the clerk of the sale. [IC 6-1.1-24-5]

The provisions of IC 6-1.1-24-10 make it the duty of the county treasurer to endorse upon or attach to the certificate of sale a written guarantee, signed by the treasurer, warranting that the taxes and special assessments upon the real property described in the certificate of sale are delinquent and were unpaid at the time of sale and that the real property is, therefore, eligible for sale. If the county treasurer, before the time of making the guarantee required by IC 6-1.1-24-10, received payment of the delinquent taxes or special assessments for which the real property was sold, the holder of the certificate may initiate an action upon the written guarantee or upon the official bond of the county treasurer. If an action is initiated under this section, the measure of damages is double the amount paid by the holder of the certificate plus legal interest on that amount.

If a tract or an item of real property is offered for sale and an amount is not received that is at least equal to the minimum sale price required, then the tract or an item of real property may be offered for sale a second time consistent with the provisions of IC 6-1.1-24-1 through IC 6-1.1-24-5 or the following. Notwithstanding any other law, if a tract or an item of real property is offered for sale under IC 6-1.1-24-1 through IC 6-1.1-24-5 and an amount is not received that is at least equal to the minimum sale price required and the county treasurer and the county auditor jointly agree to an expedited tax sale then the tract or item of real property may be offered for sale a second time on a date that is on or after January 1 and before March 31 of the year immediately following the year in which the property was initially offered for sale and at least ninety (90) days after the date of the initial sale. All notice and judgment requirements set forth in this chapter and IC 6-1.1-25 are applicable to the second expedited tax sale. [IC 6-1.1-24-5.5]

When a tract is offered for sale for two (2) consecutive years and no bid is received in an amount equal to or in excess of the minimum sale price, the county acquires a lien in the amount of the minimum sale price. The lien attaches on the day after the last date on which the tract is offered for sale the second time. The county auditor shall issue a tax sale certificate to the county dated the day the county acquires the lien. Upon issuance of the certificate, the county has the same rights as a purchaser; however, no money shall be paid by the county. [IC 6-1.1-24-6] All sales to the county shall be entered in the tax sale record and also in the Register of Tax Sales to the County, County Form 9S.

After each tax sale conducted, the county auditor shall prepare and deliver to the county commissioners a list of all properties that have been offered for sale in two (2) consecutive tax sales, that have not received a bid for at least the amount required, that are not subject to the provisions of IC 6-1.1-24-6.5, on which the county has acquired a lien, and for which the county is eligible to take title. The county commissioners shall by resolution, identify the property that the county commissioners desire to transfer to a nonprofit corporation for use for the public good; and set a date, time, and place for public hearing to consider the transfer of the property to a nonprofit corporation.

Notice of the list prepared and the date, time, and place for hearing on the proposed transfer of the property on the list shall be published in accordance with IC 5-3-1. The notice must include a description of the property by:

1. legal description; and
2. parcel number or street address, or both.

The notice must specify that the county commissioners will accept applications submitted by nonprofit corporations and hear any opposition to a proposed transfer.

After the hearing, the county commissioners shall by resolution make a final determination concerning:

1. the properties that are to be transferred to a nonprofit corporation;
2. the nonprofit corporation to which each property is to be transferred; and
3. the terms and conditions of the transfer.

To be eligible to receive property, a nonprofit corporation must file an application with the county commissioners. The application must state the property that the corporation desires to acquire, the use to be made of the property, and the time period anticipated for implementation of use. The application must be accompanied by documentation verifying the nonprofit status of the corporation and be signed by an officer of the corporation. If more than one (1) application for a single property is filed, the county commissioners shall determine which application is to be accepted based on the benefit to be provided to the public and the neighborhood and the suitability of the stated use for the property and the surrounding area.

After the hearing and the final determination of properties to be transferred, whichever is applicable, the county commissioners, on behalf of the county, shall cause all delinquent taxes, special assessments, penalties, interest, and costs of sale to be removed from the tax duplicate and the county auditor to prepare a deed transferring the property to the nonprofit corporation. The deed shall provide for:

1. the use to be made of the property;
2. the time within which the use must be implemented and maintained;
3. any other term and conditions that are established by the county commissioners; and
4. the reversion of the property to the county if the grantee nonprofit corporation fails to comply with the terms and conditions.

If the grantee nonprofit corporation fails to comply with the terms and conditions of the transfer and title to the property reverts to the county, the property may be retained by the county or disposed of under any of the provisions of this chapter or IC 6-1.1-24 or both. [IC 6-1.1-24-6.7]

When real property is sold at the tax sale the purchaser shall immediately pay the amount of the bid to the county treasurer. [A purchaser who fails to pay his bid shall pay a penalty of twenty-five percent (25%) of the amount of his bid (IC 6-1.1-24-8)]. The treasurer shall apply the payment in the following manner: First, to the taxes, special assessments, penalties, and sale cost described in IC 6-1.1-24-5(e); second, to other delinquent property taxes; and third, to a separate "tax sale surplus fund."

An owner of record who is divested of the owner's property by the issuance of a tax deed to the tax sale purchaser, the tax sale purchaser or purchaser's assignee, upon redemption, or a person with substantial property interest of public record as evidenced by the issuance of a tax deed to the tax sale purchaser in a county having a population of more than 200,000 but less than 400,000, having a consolidated city, or in which the county auditor and county treasurer have an agreement under IC 6-1.1-25-4.7; may file a verified claim for money deposited in the tax sale surplus fund.

Any amount deposited in the tax sale surplus fund and remaining unclaimed for a period of three (3) years shall be transferred to the county general fund. [IC 6-1.1-24-7]

Immediately after a tax sale purchaser pays his bid, as evidence by the receipt of the county treasurer, or immediately after the county acquires a lien, the county auditor shall deliver a certificate of sale to the purchaser or to the county. The certificate shall be signed by the auditor and registered in his office. The certificate shall contain:

1. a description of real property which corresponds to the description used on the notice of sale;
2. the name of the former owner, if known;
3. the name of the purchaser;
4. the date of sale;
5. the amount for which the real property was sold;
6. the amount of the minimum bid for which the tract or real property was offered at the time of sale; and
7. the date when the purchaser is first entitled to request a deed to the property.

When a certificate of sale is issued, the purchaser acquires a lien against the real property for the entire amount that he paid. The lien of the purchaser is superior to all liens against the real property which exist at the time the certificate is issued.

A certificate of sale is assignable. However, an assignment is not valid unless it is endorsed on the certificate of sale, acknowledged before an officer authorized to take acknowledgments of deeds, and registered in the office of the county auditor. When a certificate of sale is assigned, the assignee acquires the same rights and obligations that the original purchaser acquired. [IC 6-1.1-24-9]

Whenever a tract is offered for sale and no bid is received for the minimum sales price, the county auditor shall prepare a certified statement of the actual costs incurred by the county. The county auditor shall place the amount specified in the certified statement on the tax duplicate of the tract offered but not sold at the sale. The amount shall be collected as real property taxes are collected and paid into the county general fund. [IC 6-1.1-24-13]

Duties of the county treasurer or county auditor, in regards to the selling of real property at tax sale, are the responsibility of the respective officer and may not be preformed under contract or by a person or entity, unless consented to in writing by the respective officers. [IC 6-1.1-24-14]

Redemption From Tax Sale

An occupant or person with a substantial property interest of public record in a tract may redeem the tract at any time before a tax title deed is issued. [IC 6-1.1-25-1]

The total amount of money required for the redemption of real property equals the sum of (a) through (d) reduced by any amounts held in the name of the taxpayer or purchaser in the tax sale surplus fund:

- a. 1. If redeemed in less than six months after the tax sale one hundred ten percent (110%) of the minimum bid for which the tract was offered at the time of sale as required by IC 6-1.1-24-5.
2. If redeemed more than six months but less than one year after the tax sale one hundred fifteen percent (115%) of the minimum bid for which the tract was offered at the time of sale as required by IC 6-1.1-24-5.
3. If redeemed more than one year after the tax sale one hundred twenty-five percent (125%) of the minimum bid for which the tract was offered at the time of sale as required by IC 6-1.1-24-5.
- b. In addition to the amount required in (a), the total amount required for redemption includes the amount by which the purchase price exceeds the minimum bid on the real property plus ten percent (10%) per annum on the amount by which the purchase price exceeds the minimum bid.
- c. In addition to the amount required in (a) and (b), the total amount required for redemption includes all taxes and special assessments upon the property paid by the purchaser subsequent to the sale, plus ten percent (10%) interest per annum on those taxes and special assessments.

- d. In addition to the amounts required in (a), (b), and (c), the total amount required for redemption includes the following costs incurred by the purchaser or the purchaser's assignee:
 1. The costs of giving notice under IC 6-1.1-24-4.5 and 4.6.
 2. Filing fees paid in the filing of a petition for a tax deed under IC 6-1.1-24-4.6.
 3. The cost of examining and updating the abstract of title for the tract or item of real property. [IC 6-1.1-25-2]

A county auditor may petition a court issuing judgments and orders for sale in the county to establish a schedule of reasonable and customary fees that apply to a purchaser who submits a claim for reimbursement upon redemption by the property owner.

When a court provides a schedule, the county auditor may not reimburse expenses at a rate higher than the rate published in the schedule.

A purchaser may petition the court for a higher rate of reimbursement than the rate found on the schedule. The court may grant the petition if the court finds that the purchaser's claim is based on reasonable and customary fees. [IC 6-1.1-25-2.5]

When real property is redeemed, a quietus shall be issued by the county auditor in favor of the person paying the money to the treasurer and the amount receipted into the "tax sale redemption" fund shall be held in trust for the purchaser. The county auditor should then immediately inform the purchaser of the redemption and, upon the purchaser surrendering the certificate of sale, the county auditor shall issue a warrant equal to the amount received by the treasurer for redemption. The county auditor shall endorse the certificate and preserve it as a public record. If a certificate of sale is lost and the county auditor is satisfied the certificate did exist, the county auditor may make payment to the proper person in the manner provided in IC 6-1.1-25-3. The name of the person who redeems the property, the date of redemption and the amount for which the property is redeemed shall also be entered in the Tax Sale Record (Form 137).

When the county acquires a lien and a tax sale certificate is issued to the county, pursuant to IC 6-1.1-24-6, the redemption should be handled in the same manner as property sold to other purchasers, by issuing a quietus for the amount required for redemption and by crediting the amount to the tax sale redemption fund. A warrant from that fund should then be issued to the "Treasurer of _____ County" for payment of the taxes, penalties, interest and costs for which a lien was acquired by the county, together with the statutory redemption penalty of ten percent (10%), fifteen percent (15%) or twenty-five percent (25%), depending upon the date of redemption. The amount of the penalty added on redemption should then be entered in the "additional assessments" section of the duplicate in the column provided for "delinquent tax" and payment thereof entered by the treasurer when the warrant is processed and a receipt (or receipts) issued for the taxes, penalties, interest and costs.

Any costs incurred by the county as described in IC 6-1.1-25.2(d) would also be required to be paid by the redeeming party.

The redemption should also be entered in the tax sale record and in the register of tax sales to the county.

Property Containing Hazardous Waste or Other Environmental Hazards

If the county auditor does not issue a deed to the county for property for which a certificate of sale has been issued to the county under IC 6-1.1-24-9 because the county executive determines that the property contains hazardous waste or another environmental hazard for which the cost of abatement or alleviation will exceed the fair market value of the property, the property may be transferred.

A person who desires to obtain title to and eliminate the hazardous conditions of property containing hazardous waste or another environmental hazard for which a county holds a certificate of sale but to which a deed may not be issued to the county may file a petition with the county auditor seeking a waiver of the delinquent taxes, special assessment, interest, penalties, and costs assessed against the property and transfer of the title to the property to the petitioner. The petition must:

1. be on a form prescribed by the state board of accounts and approved by the state board of tax commissioners;
2. state the amount of taxes, special assessments, penalties, and costs assessed against the property for which a waiver is sought;
3. describe the conditions existing on the property that have prevented the sale or the transfer of title to the county;
4. describe the plan of the petitioner for elimination of the hazardous condition on the property under IC 13-25-5 and the intended use of the property; and
5. be accompanied by a fee established by the county auditor for completion of a title search and processing.

Upon receipt of a petition, the county auditor shall review the petition to determine whether the petition is complete. If the petition is not complete, the county auditor shall return the petition to the petitioner and describe the defects in the petition. The petitioner may correct the defects and file the completed petition with the county auditor. Upon receipt of a completed petition, the county auditor shall forward a copy of the petition to:

1. the assessor of the township in which the property is located;
2. the owner;
3. all persons who have, as of the date of the filing of the petition, a substantial interest of public record in the property;
4. the county property tax assessment board; and
5. the state board of tax commissioners.

Upon receipt of a petition, the county property tax assessment board shall, at the county board's earliest opportunity, conduct a public hearing on the petition. The county property tax assessment board shall, by mail, give notice of the date, time, and place fixed for the hearing to:

1. the petitioner;
2. the owner;
3. all persons who have, as of the date the petition was filed, a substantial interest of public record in the property; and
4. the assessor of the township in which the property is located.

In addition, notice of the public hearing on the petition shall be published one (1) time at least ten (10) days before the hearing in a newspaper of county wide circulation and posted at the principal office of the county property tax assessment board or at the building where the meeting is to be held.

After the hearing and completion of any additional investigation of the property or of the petitioner that is considered necessary by the county property tax assessment board, the county board shall give notice, by mail, to the parties of the county board's recommendation as to whether the petition should be granted. The county board shall forward to the state board of tax commissioners a copy of the county board's recommendation and a copy of the documents submitted to or collected by the county board at the public hearing or during the course of the county board's investigation of the petition.

Upon receipt by the state board of tax commissioners of a recommendation by the county property tax assessment board, the state board of tax commissioners shall review the petition and all other materials submitted by the county board and determine whether to grant the petition. Notice of the determination by the state board of tax commissioners and the right to seek an appeal of the determination shall be given by mail to:

1. the petitioner;
2. the owner;
3. all persons who have, as of the date the petition was filed, a substantial interest of public record in the property;
4. the assessor of the township in which the property is located; and
5. the county property tax assessment board.

Any person aggrieved by a determination of the state board of tax commissioners may file an appeal seeking additional review by the state board of tax commissioners and a public hearing. In order to obtain a review, the aggrieved person must file a petition for appeal with the county auditor in the county where the tract or item of real property is located not more than thirty (30) days after issuance of notice of the state board of tax commissioners' determination. The county auditor shall transmit the petition for appeal to the state board of tax commissioners not more than ten (10) days after the petition is filed.

Upon receipt by the state board of tax commissioners of an appeal, the state board of tax commissioners shall set a date, time, and place for a hearing. The state board of tax commissioners shall give notice, by mail, of the date, time, and place fixed for the hearing to:

1. the person filing the appeal
2. the petitioner;
3. the owner;
4. all persons who have, as of the date the petition was filed, a substantial interest of public record in the property;
5. the assessor of the township in which the property is located; and
6. the county property tax assessment board.

The state board of tax commissioners shall give the notices at least ten (10) days before the day fixed for the hearing.

After the hearing, the state board of tax commissioners shall give the parties notice by mail of the state board's final determination.

If the state board of tax commissioners decides to:

1. grant the petition submitted under subsection (b) after initial review of the petition under subsection (f) or after an appeal under subsection (h); and
2. waive the taxes, special assessments, interest, penalties, and cost assessed against the property;

the state board of tax commissioners shall issue to the county auditor an order directing the removal from the tax duplicate of the taxes, special assessments, interest, penalties, and costs for which the waiver is granted.

After: (1) at least thirty (30) days have passed since the issuance of a notice by the state board of tax commissioners to the county property tax assessment board granting a petition filed under subsection (b), if no appeal has been filed; or (2) not more than thirty (30) days after receipt by the county property tax assessment board of a notice of a final determination of the state board of tax commissioners granting a petition filed under subsection (b) after an appeal has been filed and heard under subsection (h); the county auditor shall file a verified petition and an application for an order on the petition in the court in which the judgment of sale was entered asking the court to direct the county auditor to issue a tax deed to the real property. The petition shall contain the certificate of sale issued to the county, a copy of the petition filed under subsection (b), and a copy of the notice of the final determination of the state board of tax commissioners directing the county auditor to remove the taxes, interest, penalties, and costs from the tax duplicate. Notice of the filing of the petition and application for an order on the petition shall be given, by mail, to the owner and any person with a substantial interest of public record in the property. A person owning or having an interest in the property may appear to object to the petition.

The court shall enter an order directing the county auditor to issue a tax deed to the petitioner if the court finds that the following conditions exist:

1. The time for redemption has expired.
2. The property has not been redeemed by the payment of all taxes, special assessments, interest, penalties, and costs owed.
3. All taxes, special assessments, interest, penalties, and costs have been waived by the state board of tax commissioners or, to the extent not waived, paid by the petitioner.
4. All notices required by law have been given.
5. The petitioner has complied with all the provisions of law entitling the purchaser to a tax deed.

A tax deed issued is uncontestable except by appeal from the order of the court directing the county auditor to issue the tax deed. [IC 6-1.1-25-4.1]

Issuance of Tax Title Deeds

A purchaser or assignee is entitled to a tax deed to the property that was sold only if:

1. the redemption period specified in IC 6-1.1-25-4 has expired;
2. the property has not been redeemed; and

3. not less than one (1) month, if the property is subject to IC 6-1.1-25-4(a)(2) through IC 6-1.1-25 (a)(5), or otherwise not less than three (3) months or more than five (5) months prior to the filing of the petition for a tax deed but not more than thirty (30) days after the expiration of the period of redemption specified in IC 6-1.1-25-4(a)(1):

- A. the purchaser or assignee; or
- B. in a county having a consolidated city, a county having a population of more than two hundred thousand (200,000) but less than four hundred thousand (400,000), or a county where the county auditor and county treasurer have an agreement under IC 6-1.1-25-4.7, the county auditor;

gives notice of the sale, the date of expiration of the period of redemption, and the date on or after which a petition for the tax deed will be filed to the owner and any person with a substantial property interest of public record in the tract or real property.

However, in a county having a consolidated city, the county auditor shall give notice not less than one (1) month before the expiration of the period of redemption.

The purchaser or assignee or, in a county having a consolidated city, a county having a population of more than 200,000 but less than 400,000, or a county where the county auditor and county treasurer have an agreement under IC 6-1.1-25-4.7, the county auditor shall give the notice required by subsection (a) by sending a copy of the notice by certified mail to the parties described in subsection (a) at their last known address. However, if the address of the owner or person with a substantial property interest of public record upon diligent inquiry cannot be located by the purchaser or assignee or, in a county having a consolidated city, a county having a population of more than 200,00 but less than 400,000 or a county where the county auditor and county treasurer have an agreement under IC 6-1.1-25-4.7, the county auditor, notice may be given by publication in the manner described in IC 6-1.1-22-4(b) once each week for three (3) consecutive weeks.

The notice that this section requires shall contain the following:

1. A statement that a petition for a tax deed will be filed on or after a specified date.
2. The date on or after which the petitioner intends to petition for a tax deed to be issued.
3. The description of the tract or real property shown on the certificate of sale.
4. The date the tract or real property was sold at a tax sale.
5. The name of the purchaser.
6. A statement that the owner, occupant, or person with a substantial interest of public record is entitled to redeem the tract or real property.
7. The amount of the judgment for taxes, special assessments, penalties, and costs under IC 6-1.1-24-4.7 to redeem the tract or real property.
8. A statement that the purchaser or the purchaser's successors or assignees are entitled to reimbursement for additional taxes or special assessments on the tract or real property that were paid by the purchaser subsequent to the tax sale and before redemption.

9. A statement that the tract or real property has not been redeemed.
10. A statement that the purchaser or the purchaser's assignee is entitled to receive a deed for the tract or real property if it is not redeemed before a certain date.
11. A statement that the purchaser or the purchaser's assignee is entitled to reimbursement for costs described in IC 6-1.1-25-2(d).

The notice under this section must include not more than one (1) tract or item of real property listed and sold in one (1) description. However, when more than one (1) tract or item of real property is owned by one (1) person, all of the tracts or real property that are owned by that person may be included in one (1) notice. [IC 6-1.1-25-4.5]

After the expiration of the redemption period specified in IC 6-1.1-25-4 and at least three (3) months after the issuance of the notice required in IC 6-1.1-25-4.5, the purchaser or the purchaser's assignee may or, in a county having a consolidated city, a county having a population of more than 200,000 but less than 400,000, or a county where the county auditor and county treasurer have agreement under IC 6-1.1-25-4.7, the county auditor shall file a verified petition in the same court and under the same cause number in which the judgment of sale was entered asking the court to direct the county auditor to issue a tax deed if the real property is not redeemed from the sale. Notice of the filing of this petition and the date on or after which the petitioner intends to make application for an order on the petition shall be given to the owner and any person with a substantial interest of public record in the tract or real property in the same manner as provided in IC 6-1.1-24-4.5, except that only one (1) publication is required. The county auditor shall be notified of the filing of this petition. Any person owning or having an interest in the tract or real property may appear in the proceeding on this petition.

The court shall enter an order directing the county auditor (on the production of the certificate of purchase and a certified copy of the order) to issue to the purchaser or the purchaser's assignee a tax deed if the court finds that the following conditions exist:

1. The time of redemption has expired.
2. The tract or real property has not been redeemed from the sale.
3. All taxes and special assessments, penalties, and costs have been paid.
4. The notices required by law have been given.
5. The petitioner has complied with all the provisions of law entitling the purchaser or the purchaser's assignee to a deed.

Upon application by the grantee of a valid tax deed in the same court and under the same cause number in which the judgment of sale was entered, the court shall enter an order to place the grantee of a valid tax deed in possession of the real estate. The court may enter any orders and grant any relief that is necessary or desirable to place or maintain the grantee of a valid tax deed in possession of the real estate.

If the court refuses to enter an order directing the county auditor to execute and deliver the tax deed because of the failure of the petitioner to fulfill the requirements of IC 6-1.1-25-4.6, the court shall order the return of the purchase price minus a penalty of twenty-five percent (25%) of the amount of the purchase price.

The sale shall be treated as an invalid sale in all cases in which the purchaser or the purchaser's assignee or in a county having a consolidated city, a county having a population of more than 200,000 but less than 400,000 or a county where the county auditor and county treasurer have an agreement under IC 6-1.1-25-4.7, the county auditor has made a bona fide attempt to comply with the statutory requirements for the issuance of the tax deed and the court refuses to enter an order directing the county auditor to execute and deliver the tax deed because of the failure to comply with these requirements, the county auditor shall not execute the deed but shall refund the purchase money plus six percent (6%) interest per annum to the purchaser or purchaser's successors or assignees. The tract, if it is then eligible for sale under IC 6-1.1-24, shall be placed on the delinquent list as an initial offering.

The court shall not order the return of the purchase price if:

1. the purchaser has failed to provide notice or has provided insufficient notice as required by IC 6-1.1-25-4.5; and
2. the sale is otherwise valid.

A tax deed is incontestable except by appeal from the order of the court directing the county auditor to issue the tax deed. [IC 6-1.1-25-4.6]

A person may, upon appeal, defeat the title conveyed by a tax deed executed by IC 6-1.1-24-4 only if:

1. Tract or real property described in a deed was not subject to the taxes for which it was sold;
2. The delinquent taxes or special assessments for which the tract or real property was sold were paid before the sale;
3. The tract or real property was not assessed for the taxes and special assessments for which it was sold;
4. The tract or real property was redeemed before the expiration of the period of redemption (as specified in section 4 of this chapter);
5. The proper county officers issued a certificate within the time limited by law for paying taxes or for redeeming the tract or real property, which states either that no taxes were due at the time the sale was made or that the tract or real property was not subject to taxation;
6. The description of the tract or real property was so imperfect as to fail to describe it with reasonable certainty; or
7. The notices required by IC 6-1.1-24-4, IC 6-1.1-24- 4.5 and IC 6-1.1-24-4.6 were not in substantial compliance with the manner prescribed in those sections. [IC 6-1.1-25-16]

A county auditor and county treasurer may enter into a mutual agreement for the county auditor to perform the following duties instead of the purchaser:

1. Notification and title search under IC 6-1.1-25-4.5
2. Notification and petition to the court for the tax deed under IC 6-1.1-25-4.6. [IC 6-1.1-26-4.7]

If the certificate was issued to the county and the property is not redeemed within one (1) year a deed shall be issued to the county. When a deed is issued to the county, the delinquent taxes and special assessments and all subsequent taxes, special assessments, interest, penalties, and cost of sale shall be removed from the tax duplicate in the same manner as taxes are removed by certificate of error. [IC 6-1.1-25-4]

However, if the board of county commissioners determines that the property involved contains hazardous waste or another environmental hazard which the cost of abatement or alleviation will exceed the fair market value of the property, a county auditor is not required to execute a deed to the county. [IC 6-1.1-25-4(e)]

The holder of a certificate of sale, or his successors or assigns, shall have the county auditor execute a deed to the real property within two (2) years after the date of the sale. If the purchaser, or his successors or assigns, fails to have the county auditor execute a deed within that time period, the purchaser's lien against the real property terminates at the end of the time period. However, this does not apply if the county is the holder of a certificate of sale. [IC 6-1.1-25-7]

If the purchaser does not provide notice prior to the expiration of the period of redemption, the purchaser's lien against the real property terminates thirty-one (31) days after the expiration of the redemption period. [IC 6-1.1-25-7]

When a deed is issued, the date of such deed and the name of the grantee in the deed shall be entered in the tax sale record.

Sale of Real Property Acquired by County

When a county acquires title to real property under IC 6-1.1-24 and IC 6-1.1-25, the county may dispose of the real property under IC 36-1-11 or IC 6-1.1-25-9(e). The proceeds of any sale under IC 36-1-11 shall be deposited as follows:

1. First, to the cost of the sale, including the cost of maintenance preservation, and administration of the property before sale, including prior unpaid costs of sales, preparation of the property for sale, advertising, and appraisal.
2. Second, to the payment of the taxes which were removed from the tax duplicate under IC 6-1.1-25-4(c).
3. Third, any surplus remaining into the county general fund.

The county auditor shall file a report with the board of commissioners before January 31 of each year. The report must: (1) list the real property acquired under IC 6-1.1-24 and IC 6-1.1-25; and (2) indicate if any person resides or conducts a business on the property.

The county auditor shall mail a notice by certified mail before March 31 of each year to each person listed in the report. The notice must state that the county has acquired title to the tract the person occupies.

If the county determines under IC 36-1-11 that any real property so acquired should be retained by the county, the county shall not dispose of the real property. The county commissioners may repair, maintain, equip, alter and construct buildings upon the real property so retained in the same manner prescribed for other county buildings. [IC 6-1.1-25-9]

The county may transfer title to real property described in IC 6-1.1-25-9(a) to the redevelopment commission at no cost to the commission for sale or grant under IC 36-7-14-22.1 or IC 36-7-15.1-15.1. [IC 6-1.1-25-9]

Sale to Person Eligible to Redeem Tract Under IC 6-1.1-25-1 or Agent of the Person

A person eligible to redeem a tract under IC 6-1.1-25-1 who did not redeem the tract before a deed for the tract was issued to a county under IC 6-1.1-25-4 or a person who is an agent of such person may not purchase, receive, or lease a tract the person was eligible to redeem when the tract is offered in a sale, exchange, or lease unless:

1. the county was issued a deed to the tract under IC 6-1.1-25-4 more than five (5) years before the tract is offered for sale, exchange, or lease; or
2. the person pays the county treasurer an amount equal to the amount required to redeem the tract when the county was issued a deed for the tract under IC 6-1.1-25-4 before the sale, exchange, or lease under this chapter is executed by the county.

If a person purchases, receives, or leases a tract that the person was not eligible to purchase, receive or lease, the sale, transfer or lease of the property is void and the county retains the interest in the tract it possessed before the sale, transfer, or lease of the tract. (IC 36-1-11-16)

The Register of Tax Sales to the County, County Form No. 9S, should be used to prepare the list required to be furnished the board of county commissioners.

Invalid Tax Sale - Refund of Purchase Money

If, before the execution of a deed to real property sold for taxes, it is found that the sale was invalid, the county auditor shall not execute the deed, but shall refund the purchase money plus six percent (6%) interest from the county treasury to the purchaser, or the purchaser's successors or assigns. The real property, if it is then eligible for sale, shall be placed on the delinquent list as an initial offering. [IC 6-1.1-25-10]

Subsequent to the execution of the deed to real property sold for taxes, the county auditor shall refund the purchase money plus six percent (6%) interest per annum from the county treasury to the purchaser, or his/her successors or assigns, if it is found that: (1) The real property described in the deed was not subject to the taxes for which it was sold; (2) the delinquent taxes or special assessments for which the real property was sold were properly paid before the sale; or (3) the real property was properly redeemed before the execution of the deed. [IC 6-1.1-25-11]

A person, including the county, to whom a refund is made under this section shall execute, acknowledge, and deliver to the owner a deed conveying whatever interest the purchaser may have acquired by the tax sale deed. If a county is required to execute a deed under this section, the deed shall be signed by the board of county commissioners and acknowledged by the clerk of the circuit court. [IC 6-1.1-25-11]

A refund may not be made under this section while a court action initiated under IC 6-1.1-25-14 or 6-1.1-25-16 is pending. [IC 6-1.1-25-11]

SECTION R - COLLECTION OF DELINQUENT PERSONAL PROPERTY TAXES

The county treasurer has the duty to enforce the collection of delinquent personal property taxes, including taxes on mobile homes.

Annually, after November 10 but prior to August 1 of the succeeding year, each county treasurer shall serve a written demand upon each county resident who is delinquent in the payment of personal property taxes. The written demand may be served upon the taxpayer by registered or certified mail or in person by the county treasurer or his deputy. [IC 6-1.1-23-1] The demands shall be made on County Form No. 143B, Demand Notice - Personal Property Taxes, and shall be recorded in the County Treasurer's Record of Demands, County Form No. 143.

If a taxpayer does not pay the total amount due within thirty (30) days after the date the written demand is made, the county treasurer shall levy upon and sell personal property of the taxpayer which is of sufficient value to pay the delinquent taxes, penalties and anticipated collection expenses. [IC 6-1.1-23-2] The procedure to be observed in the sale of personal property for delinquent taxes and the collection expenses (including a demand fee of \$5.00) are provided in IC 6-1.1-23-1 through 6-1.1-23-8.

In the year immediately following the year in which personal property taxes become delinquent, each county treasurer shall prepare a record of the delinquencies for which written demand has been made and which remain unpaid for at least sixty (60) days after the demand is made. The county treasurer shall swear to the accuracy of the record before the clerk of the circuit court and shall file the record with the clerk. When the record is so filed, the amount of delinquent taxes, penalties and collection expenses stated in the record constitute a debt of the named taxpayer and the debt in all respects has the same force and effect as a judgment. On the date the county treasurer files the record of the judgments in the office of the clerk of the circuit court, the county treasurer shall make an entry on the tax duplicate in a column headed "Certified to Clerk of Circuit Court." [IC 6-1.1-23-9]

The entry in the tax duplicate of taxes, penalties and interest certified to the clerk of the circuit court removes the charges therefor from the duplicate and the total of all such amounts shall be entered on line 30 of the apportionment sheet for each taxing district and line 30 of the settlement sheet. The auditor, as a part of his duties in auditing the tax duplicate, should confirm the amounts certified to the clerk of the circuit court. The manner of accounting for collections on tax judgments is discussed on page 9-19.

The county treasurer may enter into a contract, subject to the approval of the county executive, for services that the county treasurer considers necessary for the administration of IC 6-1.1-23 or the collection of delinquent personal property taxes. If delinquent personal property taxes are collected under contract entered under IC 6-1.1-23-1.5, the county treasurer may collect from the person owing the delinquent taxes a reasonable collection fee. [IC 6-1.1-23-1.5]

With respect to the collection of personal property taxes, the county treasurer shall charge collection expenses to each delinquent taxpayer. The fees collected are the property of the county and shall be deposited in the county general fund. The collection expenses incurred in connection with the levy upon and sale of personal property shall be paid from the county general fund without prior appropriation.

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